

Purchasing Week

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\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

P.A.'s Estimate Coming Price Hikes as Lowly 1%

Timid Recovery, Oversupply, Import Competition Cited as Reasons for Stability Throughout 1961

(A SPECIAL P/W SURVEY)

New York—P.A.'s are more optimistic about holding the price line than at any other time in the past decade. The overwhelming majority agree that price increases—if they occur at all—will be spotty, with over-all industrial tags climbing no more than ½%–1% by year-end.

That's the major finding of a new PURCHASING WEEK nationwide pricing survey of over 1,000 top purchasing executives.

General feeling is summed up by one Midwestern P.A. who notes: "The combination of less than sensational business recovery, oversupply, and potent foreign competition means that buyers will remain in a strong bargaining position. I think the odds are 100-1 against any broad increases in the next six months."

This sentiment is quite different from that voiced during the last business pickup. A similar P/W price survey in early 1959 found three of every four respondents expecting price rises and

none expecting prices to drop.

As the findings below indicate, the situation is a lot different this time around:

• **Current trend** — Purchasing executives reported that the general price level has held remarkably steady in the first few months of the current recovery. Thus, 76% reported no change from three months ago. And the 13% that reported increases are almost balanced out by 11% who note declines.

• **Specific changes** — The stability noted above is the result of many ups and downs as suppliers continue to play the market by ear—jacking up prices where demand permits but easing them a bit where competition intensifies. Thus, respondents reported a huge number of changes—affecting approximately 200 items or product groups over the past three months—with ups and downs almost equally divided.

• **Future trend** — Some 50% of P.A.'s queried thought there would be some spotty increases (less than 3% on the average). But if you combine their thinking with the other P.A.'s who see either stable or lower tags, the average increase is watered down to less than 1%.

• **Expected changes** — The hundreds of respondents reply—

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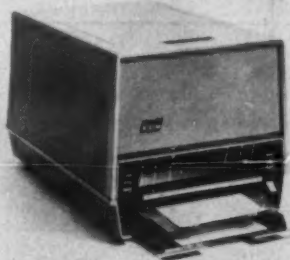
Compacts Here to Stay Most Fleet Buyers Feel

New York—For most fleet buyers, compact cars and trucks are here to stay because they're convinced the smaller vehicles are a first rate transportation bargain. But for some companies, compacts have proved to be a disappointment—with buyers blaming inept drivers for running up high repair and maintenance bills on the cars.

A PURCHASING WEEK survey of company fleets in a dozen major cities showed the swing to compacts gaining momentum, mainly on the strength of "substantial savings" in operating costs—ranging from 1¢ to 3¢ mile. Other factors most frequently mentioned: savings on original purchase price (as high as \$450), easier maintenance (provided the drivers don't assume standard car ruggedness), lower depreciation, and easier handling and packing.

The biggest savings are to be found in gas mileage, the P/W survey showed. One Ohio utility, for example, attributed the bulk of its estimated savings of \$180/car in operating costs to increased mileage—21.3/ mpg. for com-

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MODEL 33: Smith-Corona's entry in copying machine field.

New Electrostatic Units Hit Office Copying Field; SCM Set to Make Debut

New York — Smith-Corona Marchant, Inc., is entering the fast-moving electrostatic office copying machine sweepstakes with a desk-top model scheduled for introduction early in 1962. SCM is the fourth company to announce an electrostatic machine in the past six months.

Electrostatic units reproduce all colors (in black) in a dry one-step process. They have been touted as the "all-purpose" answer to office copying problems.

Although the desk-top models have been greeted with much fanfare and a huge amount of industry interest (one maker, still six months from production, reports requests have "piled up like crazy") the newcomers have yet to prove themselves in the office.

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Steel Keeps Hopes Alive For Some Higher Prices

Middletown, Ohio—Prices on some of the steel items in heaviest demand may go up despite the recent cuts on stainless steel, pipe, reinforcing bars and wire rope, said Logan T. Johnston, president of Armco Steel Corp.

"The cost level of many products has crept upward to the point where adjustments are necessary to maintain a proper cost-price relationship, but I wouldn't pin-

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Mixed Response Greets Lowered Piggyback Rates

New York—Railroads, freight forwarders, and equipment leasing firms swung into action last week to capitalize on the ICC decision allowing lowered rates on two forms of piggybacking.

At the same time shippers reacted with a mixture of enthusiasm and restraint, while they awaited the new rate schedules and the results of court action—if any—by truckers to appeal the ICC decision.

One form of piggybacking, Plan III, provides a 50¢/mile rate for each flatcar loaded with two trailers supplied by the shipper; the other (Plan IV), a 40¢/mile rate where the shipper supplies both the trailers and the flatcar.

Here's a cross section of current planning:

• Volume shippers already using Plan III extensively were planning, in general, to step up their activity. Merck Chemical Div., for example, estimates it will increase its westbound shipments under Plan III by 50% by the end of 1961.

• For small shipments, shippers were investigating the use of freight forwarders and shipping associations.

• Freight forwarders were ready to "open the valve," as one put it, on both types of piggyback movements, but some shippers were waiting for forwarder rates to come down on LTL tonnage. One forwarder said frankly, "We still have to study our costs before we can start offering any bargains on small shipments."

• Shipper associations also were wavering between all-out plans for expansion and a more cautious approach. For bulky shipments, "the 40 ft. trailer will never replace the 40 ft. 6 in. boxcar," as one association head put

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HOWARD J. HEFFERNAN: An old Monsanto hand at a new trend.

Trend Toward Wedding Purchasing, Marketing Old Stuff for Monsanto

St. Louis—The idea of marrying purchasing with marketing may be new from an organizational standpoint with some companies, but Monsanto has been getting the same results by "infiltration" and without losing the important "independence factor" a purchasing department must retain to be effective.

Howard J. Heffernan, director of purchasing and traffic at Monsanto Chemical Co., gave that answer when asked to comment on whether old-line independent purchasing departments are yielding to new management and business trends. The question was

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Wild Price Moves Shake Semiconductor Industry

New York—P.A.'s who take advantage of the present highly competitive situation in the semiconductor industry to buy on the basis of price alone were warned they may be encouraging shading in product quality.

Prices of semiconductors have been plummeting for more than a year—and there is no indication of when they will reach bottom, industry sources said. In general, tags on the less-expensive, low-reliability semiconduc-

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Purchasing Week's Panorama

• **A Mid-Year Look at the Economy** shows business picking up in the wake of the recession, but no sign of any record boom ahead. The spread on pages 16-17 pinpoints how far the recovery has come and why it hasn't been spectacular.

• **Wall Street Wheeling and Dealing** for control of industrial enterprises has its backwoods counterpart. The current session of 'School for Strategists' on pages 14-15 offers a pair of intriguing games based on these financial maneuvers.

• **Dallas and Fort Worth Have Long Been Rivals**, but they're united on one thing right now—a project to bring a navigable waterway to north Texas. For a roundup of this and other activities in the area, see 'Dallas Perspective' page 22.

• **Automation Can Create a Lot of Headaches**, but the result can be well worth the initial trouble. The story on page 32 tells how one firm—Braniff Airways—feels about it three years after starting to automate its purchasing department.

Baa to Automation

Garland, Tex.—City purchasing agent Leslie Gouge expects 16 animated "lawnmowers" he recently purchased for the city to pay for themselves within a year.

Garland's new city warehouse and garage is surrounded by large grounds. The uneven terrain makes mechanical mowing expensive and somewhat impractical, so P.A. Gouge purchased 16 sheep to trim the lawn. He says the sheep do a better job of keeping the grass down on the 10-acre site than do mowing machines.

Purchasing Week's

Purchasing Perspective

There's more to pricing than the price tag; and finding competent salesmen and devising marketing techniques to drive that point home are turning out to be one of industry's biggest headaches.

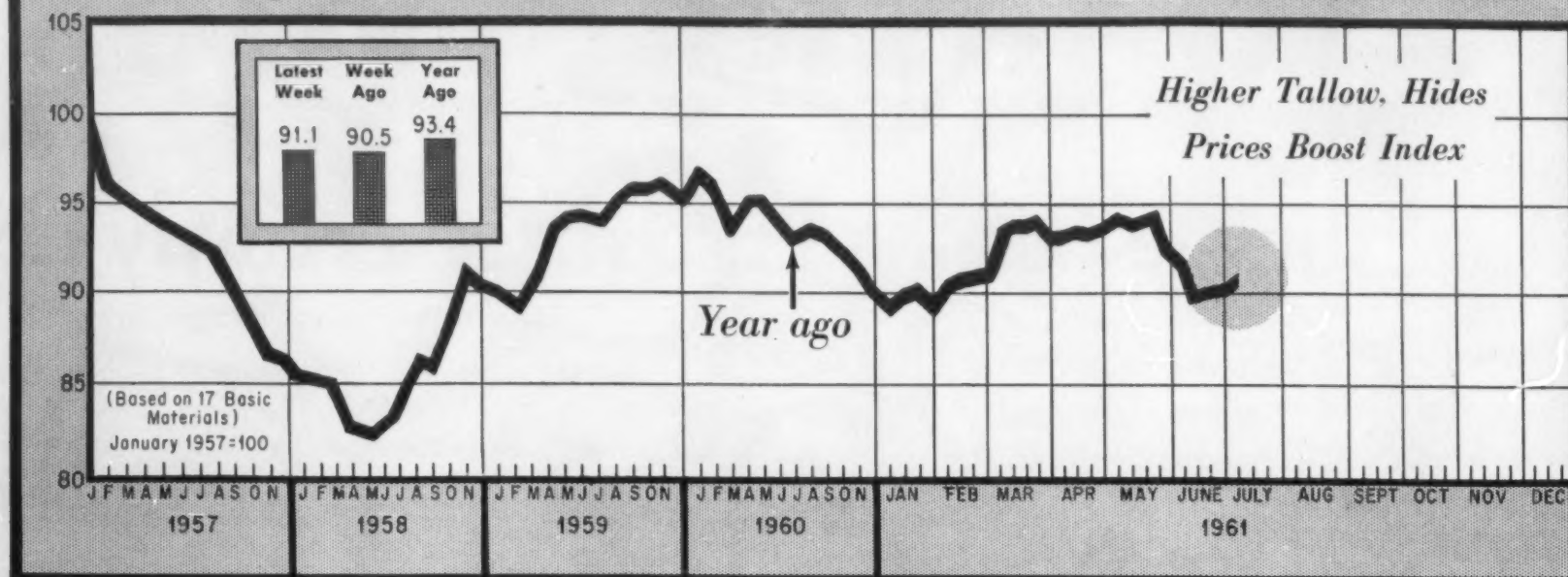
A new National Industrial Conference Board survey of industrial practices emphasizes that pricing policies and price cutting by competitors (and even by an entire industry) constitute the sales problem of greatest concern to a major segment of the companies contacted. This should come as no surprise to purchasing executives, who also are familiar with the principal reasons for it: industrial overcapacity, declining markets, recession, and competition from products easily manufactured by small, low-overhead firms.

Perhaps of greater interest to purchasing men is the NICB

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Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	July 5	June 28	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.212	.212	.24	-11.7
Copper, electrolytic, wire bars, refinery, lb.....	.306	.306	.326	-6.1
Brass, yellow, (sheet) lb.....	.493	.493	.506	-2.6
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.813	.74	.74	+ 9.9
Tin, Straits, N.Y., lb.....	1.171	1.190	1.026	+14.1
Zinc, Prime West, East St. Louis, lb.....	.115	.115	.13	-11.5
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.20	2.20	2.20	0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.47	+ 6.1
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.10	2.10	2.15	-2.3
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount).....	.025	.025	.035	-28.6
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.12	.12	.121	-.8
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.108	.108	.107	+ .1
Kerosene, Gulf, Cargoes, gal.....	.093	.093	.09	+ 3.3
Heating oil #2, Chicago, bulk, gal.....	.088	.088	.085	+ 3.5
CHEMICALS				
Ammonia, anhydrous, refrigeration, tanks, ton.....	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.125	.123	.153	-18.3
Glycerine, synthetic, tanks, lb.....	.25	.25	.293	-14.7
Linseed oil, raw, in drums, carlots, lb.....	.181	.175	.168	+ 7.7
Phthalic anhydride, tanks, lb.....	.195	.195	.185	+ 5.4
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Polystyrene, crystal, carlots, lb.....	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	12.95	12.95	14.25	-9.1
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.063	.061	.058	+ 8.6
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.75	0
Bond paper, #1 sulfite, water marked, 20-lb, 16-carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.50	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+ 4.8
BUILDING MATERIALS				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+.5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	115.00	115.00	124.00	-7.3
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	126.00	126.00	136.00	-7.4
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	85.00	85.00	88.00	-3.4
Fir plywood, 1/4" AD, 4x8, dealer, crid, fob mill, msf.....	68.00	68.00	64.00	+ 6.3
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.125	.124	.113	+10.6
Cotton middling, 1", N.Y., lb.....	.346	.346	.343	+.9
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.175	.210	-16.7
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.21	.205	.23	-8.7
Cotton drill, 1.85, 59", 68x40, N.Y., yd.....	.355	.355	.395	-10.1
Wool tops, N.Y., lb.....	1.585	1.585	1.425	+11.2
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.192	.182	.185	+ 3.8
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.292	.294	.428	-31.8

Purchasing Week's

Price Perspective

NO INFLATION AHEAD—More and more evidence is piling up that the current easy price picture is likely to continue through summer and probably into early fall:

• **P/W Price Survey**—Hundreds of purchasing executives replying to a new pricing survey reveal the almost unanimous opinion that no broad-based upturn is in the cards. They see scores of products headed down—almost as many as they see headed up. Result: a year-end price level only fractionally (less than 1%) above current low readings.

Even in the case of steel there's no certainty about a rise. In fact, P.A.'s are split almost 50-50 on the chances of boosts in this area.

• **Business Pause**—A midyear roundup of P/W barometers (see p. 16-17) indicates that demand (the key determinant of raw material prices in today's buyer's market) is already easing as part of the usual summer lull.

First National City Bank economists confirm this seasonal slackening—particularly in steel and autos which, they say, together accounted for more than one-third of the recent pickup in industrial production. These experts think that a lot of other industries will have to show a "better-than-usual performance" if the upswing is to be sustained through summer.

• **Tight Inventories**—There's still no sign of inventory buildup. As of June 1, for example, factory stocks of production materials amounted to only \$16.8-billion—only fractionally above the \$16.7-billion low point hit earlier this year.

THIS INVENTORY CAUTION is one of the major reasons why raw material prices have failed to climb in recent months.

No matter how you look at it, the effect of close-to-the-vest buying has been pretty substantial.

Take days' supply. In the crucial hard goods area, after three months of recovery, the key inventory-sales ratio is lagging a substantial 10% behind the levels prevailing at the similar period of the 1958 upturn.

This figure really becomes meaningful when translated into dollar terms. Purchasing executives would have bought almost \$1-billion of additional hard goods materials had they maintained old days' supply patterns.

That's a pretty hefty amount—and certainly helps explain why today's raw material tags are virtually unchanged from beginning-of-the-year lows. Most experts feel with an additional \$1-billion in demand, prices would have tended to follow more closely the pattern of sharp rises in the early stages of past recoveries.

ANOTHER KEY INVENTORY FIGURE—finished goods stocks—tells a much more bullish story as far as future business activity is concerned.

These inventories have been declining on both factory and retail levels—an almost sure-fire sign that new bookings will be increasingly filled from production rather than inventories in coming months.

Drops have been significant. Thus, total durable stocks on factory shelves are down \$500-million or almost 5% below last autumn's high of \$11-billion.

Retail stocks are down about the same percentage. But what's really encouraging at this level is the decline in auto holdings. At latest report stocks were at the 900,000-unit level—compared to the "million-plus" of a few months ago.

Moreover, this car figure will be declining rather precipitously in the next 90 days. Some experts think that the combination of shutdowns for model changeover, a chance of a strike, and increasing consumer demand could knock new car stocks below 300,000 by Sept. 30. That's more than 25% below the 417,000 of last September.

Nickel Price Hike Sparks Increases In Other Products

New York — Nickel prices have gone up for the first time in some 4½ years, and the move is kicking off price boosts in both stainless steel and a host of nickel-bearing copper and brass mill products.

Informed observers believe that the almost 10% boost in nickel tags (from 74¢/lb. to 81¼¢/lb.) is too much for most users to absorb. In stainless steel, for example, nickel content goes as high as 35%; hence, a 10% nickel boost automatically means as high as 3.5% boost in overall raw material costs.

Rising production charges are behind the nickel increase according to the International Nickel Co., producer of 64% of the free world supply of this key metal. Since 1956 in Canada alone, says Inco, the company has been forced to absorb cost increases amounting to \$50-million.

Here's a rundown of some of the follow-up increases stemming from the new 7¼¢/lb. boost:

• **Stainless steel**—Crucible Steel has raised its quotes from ½¢-2¼¢/lb. That's an increase of about 1%-3%—the first general boost in stainless since 1957.

Typical increases affecting the most commonly used grades include:

Types 201 and 201.....	Up ½¢/lb.
Type 301.....	Up ¾¢/lb.
Types 302, 304, 304L.....	Up 1¢/lb.
Types 316, 321, 347.....	Up 1¼¢/lb.
Type 310.....	Up 2¼¢/lb.

• **Sheet and strip**—In cupro nickel new and old prices (¢/lb) are as follows:

	NEW	OLD
10%.....	70.03	69.31
20%.....	75.35	73.90
30%.....	83.71	81.54

In nickel silver, new and old prices (¢/lb) are as follows:

	NEW	OLD
10%.....	65.56	64.83
12%.....	66.65	65.78
15%.....	68.57	67.48
18%.....	70.76	69.45

• **Wire**—In cupro nickel new and old prices (¢/lb) are as follows:

	NEW	OLD
20%.....	84.16	82.71
30%.....	92.92	90.75

In nickel silver new and old prices (¢/lb) are as follows:

	NEW	OLD
10%.....	67.64	66.91
12%.....	67.60	66.73
15%.....	72.13	71.04
18%.....	77.00	75.69

• **Rods**—In cupro nickel new and old prices (¢/lb) are as follows:

	NEW	OLD
10%.....	73.88	73.16
15%.....	79.38	78.29
20%.....	84.41	82.96
30%.....	93.17	91.00

In nickel silver new and old prices (¢/lb) are as follows:

	NEW	OLD
10%.....	67.89	67.16
12%.....	69.50	68.63
15%.....	72.38	71.29
18%.....	77.25	75.94

Seamless tubes and cupro nickel scrap are also up in line with basic increases in nickel.

'Trade List' Price Reduced

Washington — The Dept. of Commerce reduced the price of its foreign "Trade Lists" from \$2 to \$1. These lists give names and addresses of foreign buyers and sellers of commodities classified by product and country. Move was part of the government's program to step up exports.

Lists planned for 1961 include new series from transport, plastics, glass, and iron and steel products.

Price Briefs

Copper water tube—Major companies are posting 5% boosts on copper water tube, brass and copper pipe, and threadless pipe. Copper water tube in coils is up about 10%.

Fabrics—J. P. Stevens & Co. is boosting prices (7½¢/yard on the average) for worsted and worsted-mohair blend fabrics on better demand. The same factor is prompting Collins & Aikman to increase prices 5%-8% on nylon and acetate tricot.

Plasticizers and resins—Montanto is reducing prices 1¢/lb. on all Aroclor compounds and resins in a move to broaden the market for these products.

Camphor—Powdered synthetic camphor is up 3¢/lb. on higher costs. Tags on camphor tablets and technical material remain unchanged.

Acrylo nitrite—Overproduction has forced American Cyanimid to reduce prices from 23¢/lb. to 14½¢/lb. (37% reduction) on this key chemical.

This Week's Scrap Prices

	July 5	June 28	Year Ago	% Yrly Change
Steel, #1 hv, dlvd Pitt, ton.....	36.00	37.00	30.00	+20.0
Steel, #1 hv, dlvd Clev, ton.....	34.50	34.50	30.00	+15.0
Steel, #1 hv, dlvd Chic, ton.....	36.00	36.00	29.00	+24.1
Copper, #1 wire, dlr buy, fob NY, lb.....	.24	.245	.230	+4.3
Copper (hv) & wire mix, dlr buy, fob NY, lb.....	.22	.225	.210	+4.8
Brass, light, dlr buy, fob NY, lb.....	.125	.125	.105	+19.0
Brass, hv yellow mix, dlr buy, fob NY, lb.....	.145	.145	.115	+26.1
Alum (cast), mixed, dlr buy, fob NY, lb.....	.10	.10	.10	0
Alum (sheet), old clean, dlr buy, fob NY, lb.....	.095	.095	.095	0
Zinc, old, dlr buy, fob NY, lb.....	.03	.03	.04	-25.0
Lead, soft or hard, dlr buy, fob NY, lb.....	.07	.07	.083	-15.7
Rubber, mix auto tires, dlvd Akron, ton.....	11.00	11.00	11.50	-4.3
Rubber, synth butyl tubes, East, dlvd lb.....	.063	.063	.078	-19.2
Paper, old corrug box, dlr, Chic, ton.....	16.00	16.00	18.00	-11.1
Paper, #1 mixed, dlr, NY, ton.....	1.00	1.00	1.00	0
Polyethylene, clear, dlr, NY, lb.....	.07	.07	.11	-36.4



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OF FASTENERS
FOR THE NATION'S
PRODUCTS
SINCE 1922**

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OTHER ELCO PRODUCTS

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- SPEED-IZED SCREWS
- MACHINE SCREWS
- MACHINE SCREW NUTS
- STOVE BOLTS
- SMALL SCREWS
- CAP SCREWS
- LAG SCREWS
- DRIVE SCREWS
- SPECIAL SCREWS
- SEMS
- THREAD CUTTING SCREWS
- TAPPING SCREWS
- PHILLIPS SCREWS
- SPIN-LOCK SCREWS
- FREARSON HEAD SCREWS
- CLUTCH HEAD SCREWS
- PIPE PLUGS

Literally millions of pieces such as these flow every day from the Elco factory to the assembly lines of famous and soon-famous products that enjoy nation-wide use and distribution. Many of these cold-headed parts show to their users the cost-cutting results of Elco's experienced engineering assistance and skillful manufacture. "Buy Elco and you buy the Best . . ."

ELCO TOOL AND SCREW CORPORATION
1123 SAMUELSON ROAD, ROCKFORD, ILLINOIS

Washington Perspective

The Administration is as far as ever from a position to help domestic lead and zinc producers—a program that would be aimed at bolstering today's depressed prices.

A plan launched 10 days ago by the Interior Dept. would have involved buying \$65-million worth of lead and zinc from domestic sources for the defense stockpile. The mining industry shot down this trial balloon before it even got off the ground.

Industry sources scoffed at Interior claims that the move would increase prices about 2¢/lb. This and other criticism brought word from the White House that the plan had all but been rejected, only a "very remote" possibility of its adoption.

Still hanging, for example, is a bill by Rep. Ed Edmondson (D-Okla.) to give small producers the difference between market price and 17¢/lb for lead and 14.5¢/lb for zinc. The Administration was supposed to give Edmondson's Interior subcommittee its position on June 16. But it had no position then, and it still has none.

Consumers still are playing it fairly cautious so far as piling up new debts is concerned. Installment debt outstanding rose only \$27-million in May.

Even so, this was a sharp reversal from the \$139-million decline reported by the Federal Reserve Board in April. The decline in auto-financing loans continued through May—though, again the drop of \$50-million was the smallest since December.

The Civil Aeronautics Board is concerned that airlines are not doing enough to stimulate growth of air cargo. Advent of all-cargo planes and the cargo potential of passenger jets, the CAB feels, are not being fully exploited. That is behind CAB Chairman Alan Boyd's plea that air and surface carriers institute through services and joint rates (see p. 6).

The CAB feels that one way to stimulate more air cargo is to attract surface freight to planes for at least part of each long haul.

A special unit of the CAB and Interstate Commerce Commission to handle joint rates long has been in existence, but it has had few applications to act upon.

Chances of Russian residual fuel oil entering U. S. markets are very remote. That is the unanimous opinion of State and Interior Dept. officials and Washington spokesmen for the oil industry in light of renewed Russian efforts to dump resid on the East Coast.

There is no law to prevent an established importer from buying Russian oil. But officials believe it is unlikely for three reasons: (1) unfavorable public reaction against the importer, (2) the possibility of government action to halt the trade or make it uneconomic, and (3) the possibility that the importer would jeopardize his sources from international oil companies.

Military production spending will begin to build up in the late summer and fall. This is a reflection of the contracting stepup started in the final months of the Eisenhower Administration. New funds requested by President Kennedy, and approved by Congress, will not hit the spending stream for some months.

Defense spending slipped from \$1.4-billion in March to \$1.2-billion in April and slid off even further in May and June. Even so, production spending for the fiscal year just ended is estimated at \$14.3-billion, roughly the same as last year.

For the new fiscal year, started July 1, spending on arms and equipment is expected to rise at least \$600-million. The total will include \$6.1-billion for aircraft, \$412-billion for missiles, \$2-billion for ships, \$2.7-billion for other weapons and equipment, and \$4.7-billion for research, development, testing and evaluation.

4 Movers Cited on Rate-Fix Charge

Washington — Four major movers, their trade association and five officers of the companies have been indicted by a federal grand jury here on a charge of fixing rates in the movement of household goods.

The two-count indictment charges the movers with conspiring to fix rates, the effect of which raised moving costs to the public and government personnel.

Named in the indictment were North American Van Lines, Inc., Fort Wayne, Ind.; Aero Mayflower Transit Co., Inc., Indianapolis; Allied Van Lines, Inc., Broadview, Ill.; United Van Lines, Inc., St. Louis, and Household Goods Carriers' Bureau Washington, D.C. Two officials from North American and

one each from the other three movers were also named in the criminal antitrust indictment, which charged violations of the Sherman act.

For many years, the indictment charged, the companies conspired to "fix, establish, maintain, manipulate or tamper unlawfully" with tariff rates on household goods moving. It also alleged the companies induced other carriers to maintain rates agreed upon by the defendants; conspired to prevent competitors from competing for military business; prevented the development of a "competitive method" of door-to-door container service, and persuaded their agents to refuse warehouse and other services to various independent movers.

Shippers Weigh New Piggyback Rate Benefits

(Continued from page 1)
it. Another stumbling block for cooperatives: lack of return tonnage on westbound shipments.

Leasing companies expect to put more money into trailers and flatcars. Their chief problem: to find customers with eastbound freight movements to balance out the cost of returning equipment leased for westbound hauls.

Probably the key to the whole situation is held by the railroads themselves. Both Eastern and Western railroad rate men, carefully reading the ICC's 72-page decision for "fine print," expect to get many new Plan III rates on the books within 60 to 90 days. These will be rates between specific points based on the 50 cent per mile basic rate. Some, already in effect, made up the eight cases on whose legality the ICC gave its approval. Others, previously drawn up, were not published pending the ruling on the eight test cases.

Note of Caution

Even with the ruling in hand, there remains a decided note of caution in the approach of the railroads. A New York Central rate expert cited two reasons for holding back on rushing into publication of rates:

(1) In some cases, lower piggyback rates will jeopardize existing movements, "so that we'll be taking out of one pocket and putting into another."

(2) Trucker opposition to the plans is by no means dead. There were strong indications that the National Motor Freight Traffic Assn., which represents common carrier truckers in major rate cases, will appeal the ICC decision to the courts. The truckers' group says the piggyback rates are so low they can only return revenue comparable to that obtained from the lowest-grade commodities such as sand and gravel.

Expansion Seen

In the East, "current rates between New York, Chicago, Boston, St. Louis, Pittsburgh, and Detroit, will undoubtedly be expanded to other areas," said E. V. Hill, chairman of the Eastern Railroads Traffic Executives Assn.

In the West, Plan III rates will be aimed initially at traffic moving between Chicago and intermediate points such as Omaha, Kansas City, Des Moines, and Denver. Currently, major Plan III activity has been between Chicago and the Minneapolis-St. Paul area.

"We plan to cover our railroad with Plan III proposals between principal points," said a rate man for the Burlington Lines. "We'd like to get them everywhere that we've got Plan II operating." (Under Plan II, railroad provides trailer and flatcar and performs pickup and delivery.)

Although the bulk of rates will cover Plan III service at first, some railroad men believe Plan IV rates—in which shipper furnishes flatcar in addition to trailers—will ultimately be extended to cover traffic between larger Midwest cities and West Coast or Rocky Mountain points. Up to now, the Chicago-West Coast rate of \$932 per flatcar has

been the only Plan IV rate in effect in Western territory. New rates on shorter line-haul distances will bring savings of close to \$100 per flatcar in some cases, it's believed.

In addition, some rail men believe there is a good possibility of Eastern and Western railroads getting together on piggyback rates between such points as New York and Denver.

Shipment Imbalance

Expansion of piggyback shipments may solve the return trip problem for shippers. On Plan IV shipments between Chicago and the West Coast, for example, there is currently an imbalance of eight to one on westbound over eastbound movements.

At least one shipper association, Industrial Trailers on Flatcar Assn., one of the largest in Chicago, said it will steer clear of West Coast Plan IV service until it was sure its members would have return tonnage.

Union Carbide is considering the use of tank units and dump units in a study of piggybacking it is now conducting. Aim is to determine where it can increase its use of the two plans to reduce costs, get better service on inbound movements, ease the small shipments problem, etc.

According to Francis C. Tighe, Union Carbide's assistant general traffic manager, savings of around 30¢/cwt. have already been established on various types of plastic materials moving from South Boundbrook, N.J., to the Chicago area. Two leased trailers

with 35,000-lb. loads are delivered to the Pennsylvania railroad terminal at Kearny, N.J., and picked up at the other end by a trucker for delivery. "This has reduced our costs from the all-truck rate of \$1.24 cwt. (for a 25,000-lb. minimum) to 90-95¢/cwt.," he said.

Tighe points out that leasing costs, delivery to and from the rail terminals, and loading and unloading must be figured into the cost.

Almost identical savings have been worked out by David M. Daly, director of traffic, Bristol-Myers Products Div., for New York to St. Louis shipments:

"On commodities bearing a rate of \$1.40 cwt. via truckload or Plan II between New York City and St. Louis," he said, "the Plan III costs total something under \$1.10 cwt., loading included, for a saving of some 20% or approximately 30¢."

Plan III Savings

Plan III savings for a shipper using a shipping association have also been worked out by Daly for shipments from New York to these three points:

	Motor Rate	Coop. Rate
Detroit	2.94 Cwt.	2.20 Cwt.
Chicago	3.29 Cwt.	2.00 Cwt.
St. Louis	3.36 Cwt.	2.26 Cwt.

"The possibilities for savings speak for themselves," said Daly, who was chairman of the Plan III Committee of the Drug & Toilet Preparation Traffic Conference, one of the proponents of the proposal when it was before the ICC.

Steel Industry Keeping Hopes Alive For Price Increase Later in Year

(Continued from page 1)
point any changes or cite any dates," said the Armco president in discussing his company's report for the second quarter.

Johnston contended that recent reductions on minor tonnage items, rather than serving as a prelude to general cut in steel prices, may just demonstrate that lower prices don't necessarily bring additional business and that "prices can become too low to be lived with."

The feeling that prices of such "bread and butter" items as plate,

sheet, strip and structurals are due for a boost also cropped up at the service center level.

Howard R. Conant, president of Interstate Steel Co., Des Plaines, Ill., told PURCHASING WEEK there probably will be a price increase on the order of \$4 to \$5/ton. "I don't think the mills can absorb much higher costs," said Conant, pointing out that the automatic wage boosts slated for October will raise steel industry pay 7¢ to 10¢/hr.

Threats to Cushion Decline

Conant predicted that the threat of price hikes will cushion the normal summer decline in steel buying. "Orders in July and August may drop about 10% from present levels, but volume should increase by more than this amount in September and continue to increase during the fall and winter as buyers build up inventories in anticipation of a price rise," he said.

Johnston's quarterly report supported this forecast. The Armco head said orders started to go down recently in areas affected by seasonal demands, such as flat-rolled products. The percentage of turn-downs however, is not going to be as great as in other years, he said.

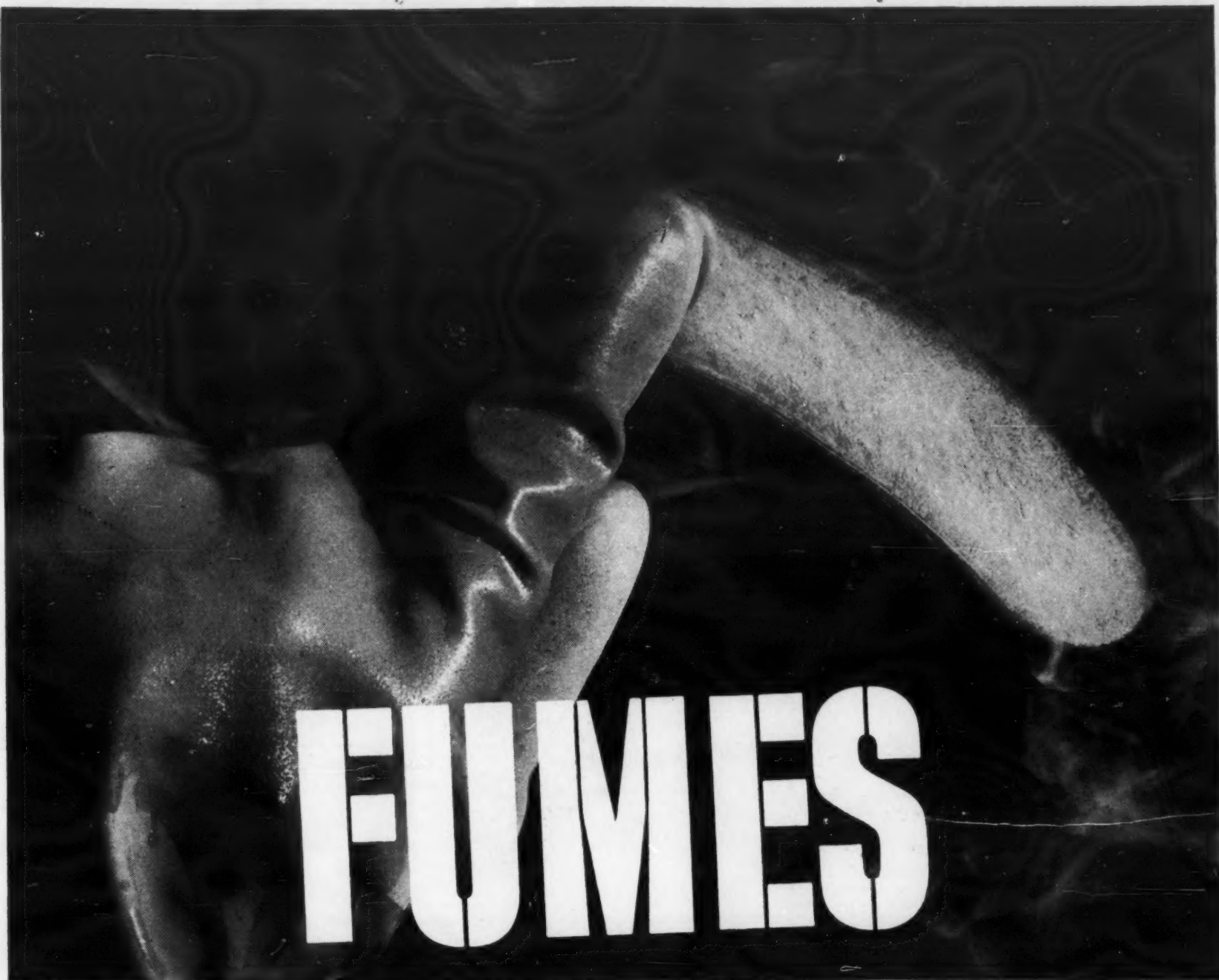
One reason for this, he continued, is that steel inventories still are low and further stock rebuilding can be expected. In addition, the general upturn in the nation's economy should tend to minimize the seasonal drop in demand, said Johnston.

Senate Committee Okays 'Single Tow' Barge Bill

Washington—The Senate Commerce Committee has approved in principle legislation to permit regulated barge operators to mix exempt and nonexempt commodities in the same tow. A committee bill is being drafted for presentation to the Senate.

Regulated barge lines long enjoyed the mixing privilege, but the Interstate Commerce Commission recently reversed an interpretation of the law that had permitted the practice.

Regulated carriers complained that requiring them to move exempt and non-exempt goods in separate tows has forced them to put old equipment back into service to provide the necessary vessels. They said part of the added cost probably would have to be passed on to shippers.



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Purchasing Week

Senate Approves Administration Plan Revising Federal Trade Commission

Washington—The Senate approved President Kennedy's proposed reorganization of the Federal Trade Commission last week, clearing the way for the plan to go into effect.

Approved earlier by the House, the plan is designed to remove some of the work-load from the full commission by allowing it to delegate some of its decision-making authority to panels of commissioners, individual commissioners or FTC staff members. This, it is hoped, will give the full commission more time to consider important cases pending before it.

The plan will put the five-man commission somewhat in the position of an appellate court. Any decision made by other than the full commission—by a staff committee, for example—can be appealed to the full commission. But the commission will not have to review every decision in detail of its staff hearing examiners as it does at present.

The commission's decision will

CAB Head Tells Airlines To Develop New Tariffs For Greater Profitability

Washington—Civil Aeronautics Board Chairman Alan S. Boyd warned last week that he expected airline managements to develop new tariff possibilities that would attract new business in a volume sufficient to offset rate reductions.

"I must insist that the carriers explore every possibility to attain the profitability they justly claim they must enjoy," he said.

As an example of the type of tariff structure he wants, Boyd cited an air-surface joint tariff.

Boyd said he wanted to see more progress in the use of joint rates between air carriers and common ground carriers. "There is no reason why travelers and shippers should have to choose one mode of transportation to the total exclusion of others when it is in the public interest or convenience to combine modes of transportation," he said.

Boyd repeated his demands for a reduction in the number of commercial airports in the U.S. In the past, he has urged that communities closely adjacent to one another employ a single airport rather than several.

He made his remarks in an address before the 14th annual convention of the New England Conference of Public Utilities Commissioners.

Deliveries Despite Fire

Portland, Ore.—Beall Pipe & Tank Corp. said its deliveries will stay on schedule despite the recent \$5-million fire which destroyed its main plant here.

A company spokesman said existing contracts are being re-routed to company plants in Denver and Boise, Ida. If necessary, the company's old plant in Portland also can be put back in production, he said.

At the time of the fire, the firm was working on major water-pipe contracts for the cities of Seattle and Wenatchee, Wash., as well as on several major truck tank trailer jobs.

Southern Truck Group Posts New Rate Boost

Atlanta—The Southern Motor Carriers Rate Conference republished its 6% increase on less-than-truckload and any quantity shipments moving between the East and South, to become effective July 24.

An earlier proposal to increase rates 6%, effective June 22, was ordered suspended two days prior to its going into effect.

The new tariff differs from the earlier one only in that it contains fewer "flag-out" areas—points where carriers would not go along with the increase.

Meanwhile, the ICC allowed a 6% increase on LTL, any-quantity class and commodity rates within the Southern territory to become effective.

As a result, the Southern Motor Carriers Rate Conference has cancelled its surcharge on this traffic and on volume and truckload shipments.

'Freeze' on Dual Rates Extended by Congress

Washington — The present "freeze" legalizing the dual rate system in ocean shipping was extended to Sept. 15. An amended bill authorizing extension was

passed by the House and Senate.

The original bill, passed by the Senate, extended the present law to July 1, 1962. But the House amended the measure, setting the mid-September expiration in order to force the Senate to act before Labor Day adjournment on another bill passed by the House to make the system permanently legal. The Senate reluctantly agreed to the change and sent the amended bill to the White House.

Under the dual rate system, steamship line conferences provide one set of rates to shippers agreeing to use their lines exclusively and charge higher rates to other shippers.

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Office Furniture Prices Seen Generally Firm

New York—Office furniture makers expect prices to hold firm barring a rise in steel or aluminum tags.

Furniture makers who use lots of wood, however, find themselves in a difficult position. While a rise in metal prices is at best uncertain, lumber prices are almost sure to go up when the new minimum wage law goes into effect Sept. 3. Prices in the home furniture field, for example, are in for a 4% to 5% hike. (Wood) accounts for only 1% of total materials costs of office furniture.

Even if steel and aluminum prices go up as a result of the automatic wage increases due to go into effect later this year, office furniture makers still will be reluctant to post increases on existing lines. Instead, according to industry sources, they are more likely to introduce new lines of office equipment at higher prices.

The last general increase in office furniture took place about 2½ years ago, when prices moved up about 10%. In general, office equipment budgets are

one of the first items to be slashed when business profits begin to slip and one of the last expense items to be restored after business picks up. In line with this, office furniture sales are beginning to improve as the nation's economy picks up. But because of the traditional lag between sales and general business improvement, industry observers say it is doubtful whether demand is yet strong enough to support a general price increase even if the cost of labor or materials should rise.

Highway Tax Boost Adding Fuel To Carrier Moves to Raise Rates

Washington—Increased highway taxes that took effect July 1 will raise the cost of operating trucks and add to pressures on financially pressed common carrier truck firms to seek higher freight rates.

Congress voted to raise taxes on the gross weight of trucks weighing more than 26,000 lb. and on tires, tubes and tread rubber as part of a package to provide \$9.65-billion in new revenue over the next 11 years

for the interstate highway system and other federal-aid roads.

Congress also voted to continue the federal tax on gasoline and diesel fuel at 4¢ a gallon, rather than let the levy drop to 3¢ as scheduled. And more money will be provided, starting next year, by earmarking all, instead of half, the revenue from federal excises on new trucks for spending exclusively on highways.

The trucking industry estimates its tax bill will go up by \$150-million annually. President Kennedy originally had proposed assessing trucks with \$300-million in new levies. But Congress, heeding industry pleas that it couldn't stand the blow, halved the amount and made up the difference by diverting to highway use the revenue from truck taxes that now flows in the general treasury.

Under the new law, the gross weight tax on heavy trucks has gone up from \$1.50 per thousand pounds to \$3. The tax on tread rubber is up from 3¢ to 5¢ a pound and on tires and tubes from 8¢ and 9¢ respectively to 10¢/lb.

On a vehicle basis, a four-axle truck-trailer weighing 55,000 pounds and powered by gasoline now will pay an average of \$1,101 a year in federal road taxes, compared with \$1,003 formerly. But this is a \$120 "saving" compared with Kennedy's original plan. A five-axle, 62,000-pound combination using diesel fuel will now pay \$1,274, compared with \$1,148 formerly. The "saving" in this case amounts to \$597.

The new revenue will insure completion of the 41,000-mile interstate highway system, now about one-fourth complete, on schedule in 1972. Without the extra money, it would have faced a stretchout of five years.

United Control Institutes Separate Purchasing Unit

Seattle—After operating under the control of the manufacturing department for the past two years, purchasing has been made a separate department of United Control Corp., with one of the firm's four founders as its head.

Martin K. Lilleberg, manager of the purchasing department, also is vice president of the company. His appointment "reflects top management's vital concern for both material quality and material costs in the company's operations," the company said.

The appointment marks Lilleberg's return to purchasing, which was made subsidiary to manufacturing several years ago in the hopes of concentrating the management function.

New Bid Requirements

Green River, Wyo. — Sweetwater county commissioners voted to require bids on all purchases of over \$500.

Legislation requiring county commissioners to request bids on all purchases over \$1,000 had been introduced in the Wyoming legislature the last two sessions, but failed both times.



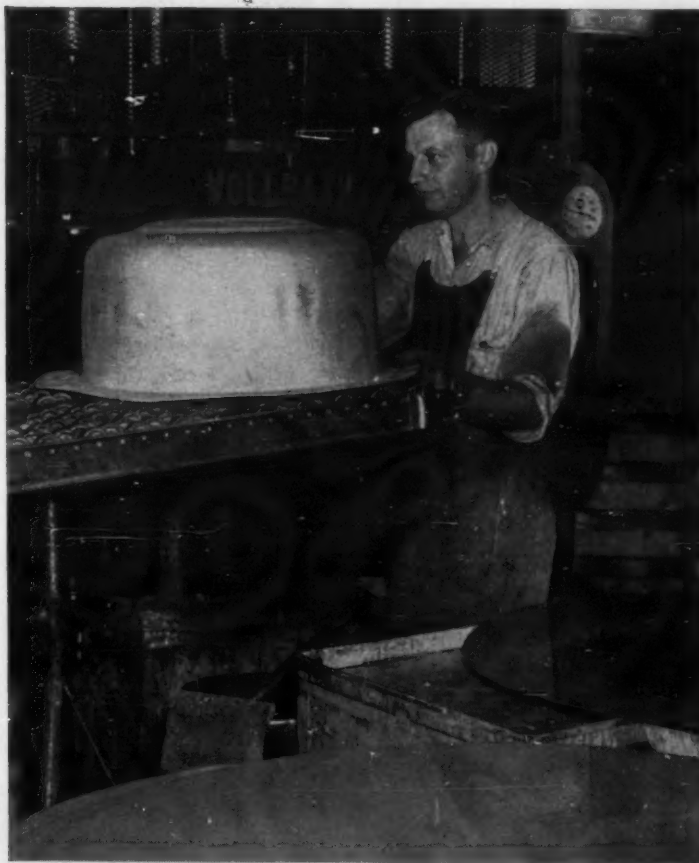
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GOING ON STREAM. Leonard Steber (r), senior engineer for materials handling and packaging at Monsanto's Queeny Plant, inspects overhead pumping network with R. F. Cassidy, general superintendent of plant.

'Answer to Buyer's Prayer'

Monsanto Starts Liquid Bulk Handling Facility

St. Louis—During an explosive and unbalanced growth over the last decade, the organic liquids industry frequently has failed to match its distribution and quality control to production capacities. Increased demand for small volume orders also has clouded the industry's distribution picture.

Now, one major producer believes it has an answer to many a buyer's prayer. Just a few weeks ago Monsanto Chem-

ical Co. put a centralized bulk liquid handling facility on-stream at its Queeny plant here, compressing the former facilities that sprawled over 60 acres into a compact two-acre facility with advantages that will give the company a decided edge in this highly competitive market.

Principal customer benefits will be in improved distribution and quality control. The new centralized blending and packaging unit will automatically

blend, store, and package about 80% of the Queeny plant's 700-million lb./yr. output. Over 260 organic liquid products in four families (resin intermediates, plasticizers, oil additives, and functional fluids) will be handled. In a nutshell, the Queeny plant revamping will provide:

- Greater bulk liquid storage capacity which relieves customers of excessive inventory and increases Monsanto's efficiency and flexibility.

- Faster and more accurate filling and blending capabilities for all kinds of containers.

- An improved intraplant communications system which speeds order receipt and handling.

How It Works

Production batches are piped from area hold tanks to centralized bulk storage tanks. A 17-tank farm has a capacity of just under 700,000 gal. Continuous circulation of stored liquids through an outside filter insures uniformity. Tanks are equipped with insulation and heater assemblies so that viscous products can be handled easily; tanks also can be washed or blown clean in the shortest possible time to accept new product batches.

Wide truck dock areas and twin rail spurs parallel the tank farm. An overhead pumping network can load tank trucks or railroad cars directly from the storage tanks.

An elaborate blending system handles resin intermediates and plasticizers. Pipelines from storage tanks carry products to the second level of the blending building. They terminate in a semicircular "switch station" near two 4,000-gal. blending vessels. (Monsanto has allowed for expansion. There is room for additional blending tanks.) There, quality and uniformity are assured in two ways: The tanks rest on scales which print out the net weight of each component as it is added to the blend, and the lines are connected manually to avoid costly blending errors as well as valve leakage contamination.

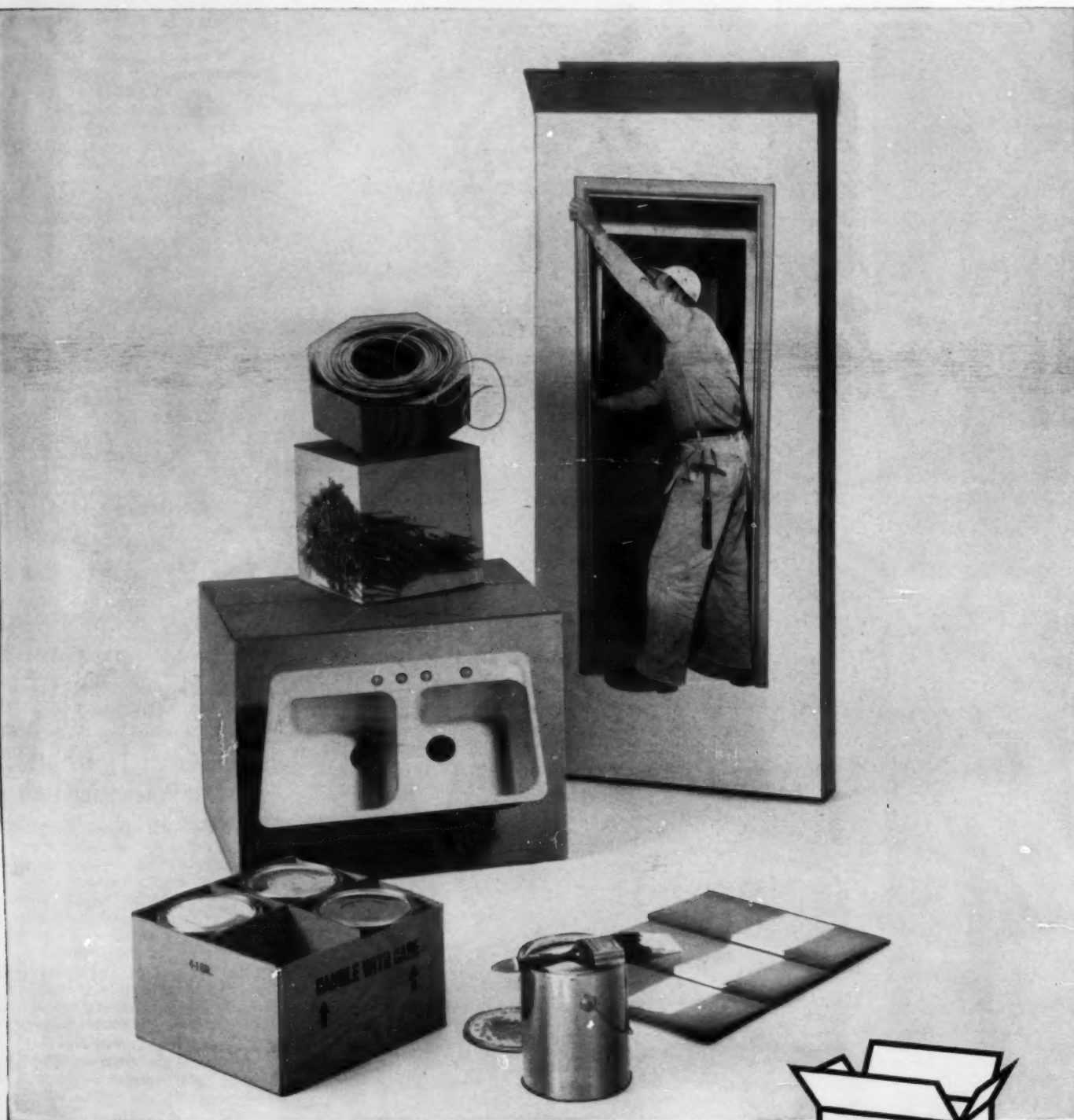
Automated Drum Handling

Monsanto has brought its drums in off the street and completely automated their handling. Drums are stored under the blending room roof (in what was unused air space) on a powerized conveyor with several lines. All drum handling operations—recovery from storage, taring, filling with product, closing with high speed overhead tools, and palletizing—are done automatically. This inside storage and handling system eliminates refurbishing and time consuming man-handling.

Filling rates are approximately five times faster than those obtainable with the formerly used low-performance process pumps. It now takes just 30 sec. to fill a 55-gal drum, 15 min. for a tank truck and 30 min. for a tank car.

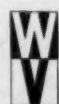
Once the containers come off the filling and closing line, those

(Continued on page 9)



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ICC Again Refuses to Throw Out Atlantic Port Rail Rate Differentials

Washington — The Interstate Commerce Commission again refused to upset rail freight differentials which Southern Tier Atlantic ports (Philadelphia, Baltimore, Norfolk) have enjoyed over Northern ports (New York, Boston, Albany, Portland, Me.) for the past 84 years.

The differential applies to shipments moving through the ports either from or to points in the Midwest.

The ICC last January rejected an attempt by railroads serving the Northern ports to equalize the rates. Last week it reaffirmed that decision upon reconsideration.

Southern ports were first granted lower rail rates in 1877 to offset an ocean rate differential which favored Northern ports because they were closer to major European centers. Since 1935, however, the ocean differential has been eliminated, making total transportation charges through Northern ports higher.

Northern ports argue that this can no longer be justified and that they have lost increasing amounts of freight to Southern ports. Their position has further deteriorated, they contend, because they are now also fighting diversion of freight to the St. Lawrence Seaway, which opened the Great Lakes to deep draft vessels.

But the commission, in an 8-2 ruling, said it still feels the differential provides a reasonable competitive relationship between the two groups of ports and should be maintained. It said that in the case of New York, rate equalization is not required to enable that port to meet competition and that equalizing rates in the case of Boston, Albany and Portland "would not materially affect the flow of foreign traffic through any of those ports."

In a separate case, the commission agreed to an equalization of rates on iron ore moving through the ports of Philadelphia and

Baltimore to inland steel-producing areas. But it refused equalization of rates from the port of New York to the same points.

The commission said that iron ore is a commodity vital to the national defense and that retention of more than one port with special facilities for handling such shipments should be encouraged through rate parity. But it said granting the same parity to New York "might and probably would result in a destructive rate war."

Britain Okays Rival for State-Owned Airline

London — Transatlantic airlines face tougher competition as a result of a decision by the Air Transport Licensing Board to allow an independent British airline to fly the London-New York route.

The move puts the airline, Cunard Eagle Airways, Ltd., in direct competition with the state-owned British Overseas Airways Corp. Cunard Eagle Airways, a wholly owned subsidiary of Cunard Steamship Co., Ltd., is authorized to start flying the North Atlantic route Aug. 1.

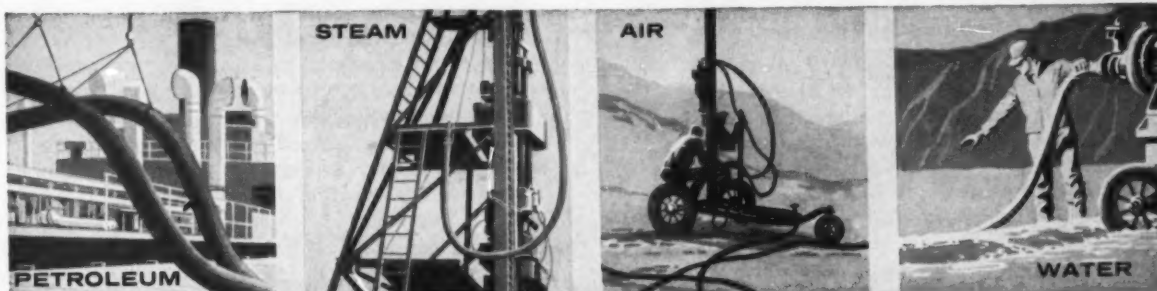
BOAC plans to appeal the decision, which could mark the biggest breakthrough to date in efforts by British independent airlines to establish themselves in competition on regular services with the U.K.'s two public-owned carriers, BOAC and British European Airways.

Until now the state lines have had a monopoly on overseas flights, with the independents limited chiefly to nonscheduled flights and scheduled services unwanted by the state lines.

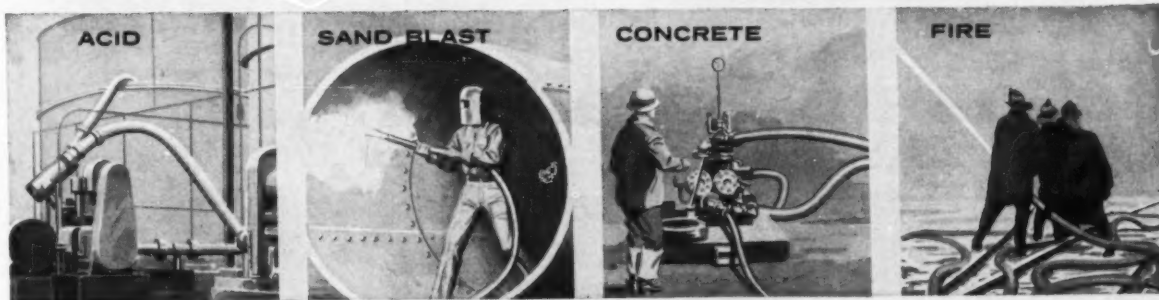
Last year, however, Parliament

passed a government-sponsored bill allowing independents to compete for licenses, and the licensing board is currently considering 72 major applications for routes in Britain and Europe, mostly by independent operators.

The Cunard license, first to be awarded, is for one flight a day in each direction between London, Manchester or Prestwick, with optional stops at Philadelphia, Boston, Baltimore and Washington. Cunard plans to begin operations in May, 1962, using Boeing 707 jetliners.



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AMERICAN BILTRITE RUBBER COMPANY
BOSTON WOVEN HOSE & RUBBER DIVISION
BOSTON 3, MASSACHUSETTS

BOSTON



Monsanto Starts Facility For Liquid Bulk Handling

(Continued from page 8)

that are needed for immediate delivery can be put directly on waiting trucks or railroad cars. The others can be fork-lifted to the 22,000-sq.-ft. storage area adjacent to the closing operation. Two fill arms in the dock area can pump blends into tank trucks or tank cars.

Fast response to orders is another feature of the facility. A teletype slaved to the company's central order department picks off applicable orders and thus by-passes a 2½-hour paperwork delay. At the same time, shipping labels typed at the central order department are printed out at the drumming site by remote control in any quantity needed. Monsanto also plans to equip the center's foreman with a transceiver (walkie-talkie) with which to keep the order processing and inventory control departments posted on stock levels.

Because of the high incidence of orders for small product quantities, Monsanto does not see any immediate unit price cuts.

Management Memos

A Taste of Failure

The "sobering taste of occasional failure" helps a boss become a success, according to Prof. Ray E. Brown of the University of Chicago.

Prof. Brown recently told a National Fuel Credit Assn. convention that getting to be a boss does not make a man "a sort of Moses who is endowed with God-like attributes quite noticeably superior to those of his followers."

The position of the administrator generates so much power that a man in the boss's chair can develop an exaggerated idea of his own ability to handle any and all problems the organization might face, he warned. There is nothing like a little failure to keep things in proper perspective.

"Constant success," according to Brown, "has the unfortunate characteristic of breeding some malignant by-products which can ultimately poison the judgment which fathered the success. F entrenched behind his 'Moginot Line' of self-satisfaction, the boss becomes invulnerable to the ideas and suggestions of those in the front lines who are in live contact with the problems confronting the organization."

The professor's advice to the boss: When you're wrong, take your licks. "Not only do you feel the noblest on those occasions when you are able to muster the courage to admit you goofed," he said, "but a good bit of the respect you have as a

boss can often be traced back to the times you were wrong and simply said so."

The Cult of Mediocrity

There are no short cuts to decision making that by-pass individual thought and judgment, says Clarence B. Randall, former special White House assistant on foreign economic affairs.

Writing in Dun's Review magazine, Randall is sharply critical of the current industry mania for making endless surveys on just about every economic matter under the sun. The net result of all this activity, he contends, is that businessmen are encouraged more and more to base their decisions upon masses of data gathered by people who often lack sufficient understanding of the problem under consideration.

"The most depressing aspect of the numbers mania," Randall points out, "is that it results in the exaltation of the average. The discriminating search for the superior and the excellent in all things is forgotten."

What's more, the survey takers, in their zeal to poll everyone on even the most complicated subjects, tend to assign the same value to the opinions of the well-informed as they do to the shallow and often ignorant responses of the man on the street.

"To poll 10 people on the street corner about the outflow of gold is to wallow in trivia. We need instead consuming zeal for the cult of the distinguished—in ideas, in minds, in character, and in leadership," he advises.

Purchasing Parade

Personal glimpses of P.A.'s as they march by in the news



The power of persuasion of the P.A. is demonstrated anew by the following:

● F. C. "Bud" Rebedeau, Purchasing Agent for the Clonick Steel Co. (Chicago) was the winner of the speech contest of Toastmasters International—a group representing the entire Chicago area and northern Illinois consisting of over 80 Toastmaster Clubs—when it held its annual dinner and speech contest recently.

Rebedeau's winning speech—"Rule by Minority"—qualifies him to participate in the national finals whose winner then goes to Seattle, Wash., for the international competition.

● Five members of the Buffalo P.A.'s Assn. recently starred as panelists before the Dale Carnegie Sales Course in Buffalo, N. Y.

The subject was "How Purchasing Agents Can Help the Salesman Do a Better Job"; the speakers were H. G. Gawel, P.R. chairman of the association; M. P. Centanni, Keystone Chromium Corp.; L. H. Davis, Electro Refractories & Abrasives Corp.; P. D. Bagar, Seneca Steel Service, Inc.; and R. H. Sharp, U. S. Rubber Reclaiming Co.

● Pictured above receiving the congratulations of L. C. Stilp, General Purchasing Agent of Kimberly-Clark

Corp. (Neenah, Wis.) is Andrew J. Rego, P.A. understudy with the company.

Rego, who received third prize for his essay "Privileges of the Free Enterprise System," is the fifth major award winner within Kimberly-Clark in recent years, but the first from the purchasing department.

The national essay contest, sponsored annually by John W. Bolton & Sons, Inc., through the American Pulp & Paper Mill Superintendents Assn., is open to all employees of pulp and paper mills on the North American continent.

Examples of almost every form of sport and relaxation among purchasing people are numerous, but here's a tip for P.A.'s looking for something different:

Dr. Maurice M. Maltinsky, past president of the Rochester Academy of General Practitioners and guest speaker at the annual meeting recently of the P.A.'s Assn. of Rochester, N. Y., says, "You don't have to go to Bermuda to enjoy life—just try relaxing on the job. Relaxation doesn't mean golf on the weekend, or joining the club, or going on a cruise. It's more basic than that. If you're relaxed on



your job, you'll find yourself at the top of every situation."

J. G. Bradley, (right) newly elected president of the Canadian Assn. of P.A.'s, has a high time during his leisure hours repairing time pieces.

The Asst. General P.A. of Aluminium Co. of Canada, Ltd., also an ardent sportsman, does a lot of hunting, fishing, and target shooting. A while back it was boxing, wrestling, hockey, track, and fencing.

Bradley is past president of the P.A.'s Assn. of Montreal, member of Montreal Rotary Club, director of alumni of Sir George Williams University, and member of the Westmount Municipal Assn. and Parent-Teachers Assn.

Herb Price, recently retired Purchasing Director of Bethlehem Steel Co. at Seattle, Wash., has started a new career for himself—as a travel consultant.

Price, who's now working in a travel agency near the plant where he formerly worked, plans—with Mrs. Price—soon to be leading tour groups all over the world. He got the wanderlust during his past vacations, including a month in Europe.

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Purchasing Week Asks

"Should the shipping or arrival date appear on the purchase order?"



F. M. Merchant, assistant director, Division of Purchases, State of West Virginia, Charleston:

"Delivery date at destination should be stated rather than shipping date, because it shifts to seller responsibility for transportation delays. Such expressions as 'urgent,' 'rush,' etc., should be avoided. If no definite delivery date is given, the right to cancel for non-delivery is questionable. Where delivery is important, this clause should be used: 'The buyer reserves the right to cancel this order or any portion of same and to charge for any loss entailed if delivery is not made when specified, as time is the essence of this order.'"



D. J. Vazakas, purchasing agent, Althouse Chemical Co., Div. of Crompton & Knowles Corp., Reading, Pa.:

"We consider a shipping date essential. This eliminates any misunderstanding as to when material is required. The automatic 'rush' is avoided and, when we require a shipment 'yesterday,' we enjoy the supplier's full cooperation. Delivery date is rarely indicated as we can usually estimate arrival date within a day or two. Only when there is a special problem involved, do we insist on a firm delivery date."



Norman Dufour, buyer, Sylvania Electric Products Inc., Woburn, Mass.:

"All purchase orders from our office show a 'delivery at destination' required date. Although we also specify method of transportation requested, we try to stress to all vendors the importance of meeting the arrival date. If local distributors should be out of stock on any item and shipment is to be made from factory or mill, we rely on our suppliers to choose the best and less expensive delivery method. What we are doing is placing delivery responsibility on our suppliers."



J. J. Rodden, purchasing manager, Lenox Inc., chinaware, Trenton, N. J.:

"The arrival date. The shipping date is a variable contingent to modes of transportation, distance of suppliers, etc., that would have to be considered in relation to an arrival date. It is advisable, of course, to specify method of transportation to avoid freight over-charges caused by delays on the vendor's part. All our raw materials are sampled and tested prior to bulk shipment. The lengths of these tests vary, and this precludes possibility for naming a specific shipping date."



J. N. Noll, director of purchases, Wigton-Abbott Corp. (engineers & constructors), Plainfield, N. J.:

"To omit a shipping or delivery date is equivalent to running a railroad without a timetable. Time is of the essence in any contract or purchase order. For all practical purposes, it is just as important as a clear description of the merchandise or service desired. It is equally important to the vendor and vendee. It may be stipulated as an approximate date in the future or as 'immediate,' but no responsible vendor would attach much importance to an order completely devoid of all reference to this factor."



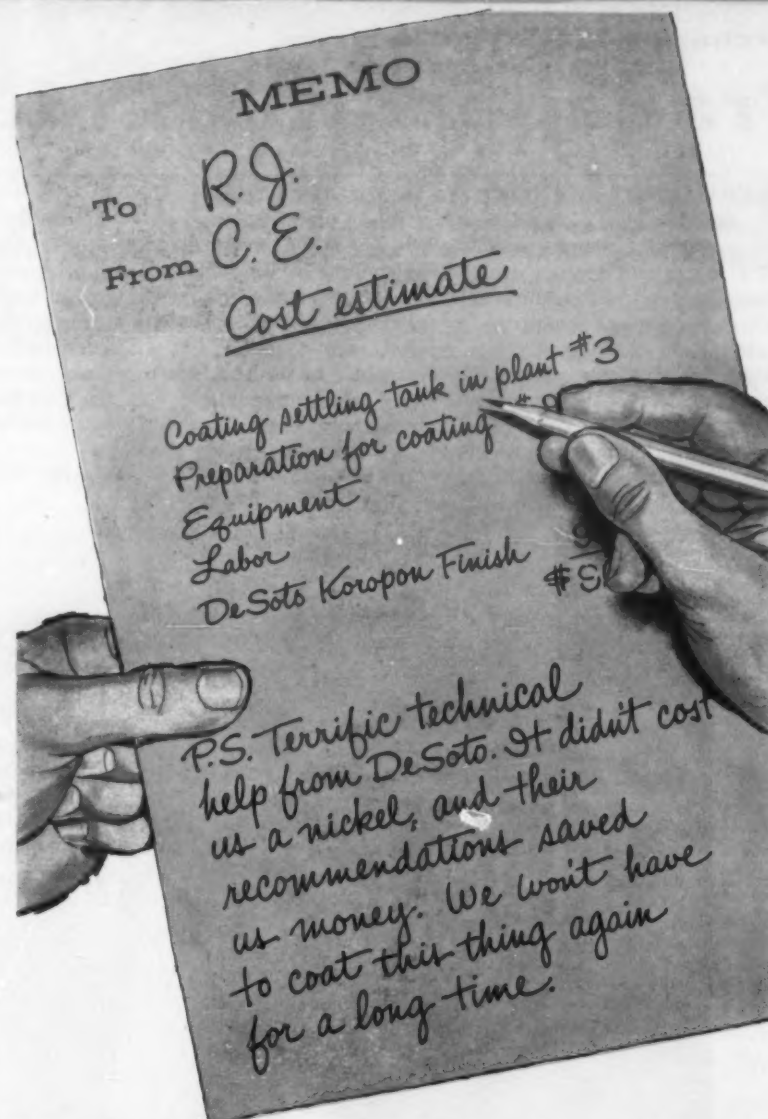
S. H. Flanders, purchasing agent, Maxim Motor Co., Middleboro, Mass.:

"Yes, a shipping or arrival date should appear on all important purchasing orders. Notations such as 'at once' or 'soon as possible' may be satisfactory for small or unimportant orders; however, according to contractual law a contract between seller and purchaser is not binding unless a performance date is specified and agreed to by both parties. We are presently issuing important production orders with arrival dates specified, as this shifts to vendor responsibility of allowing adequate transit time in figuring shipping dates."

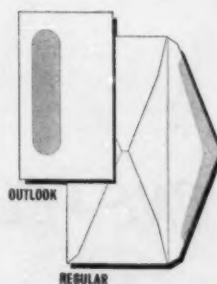
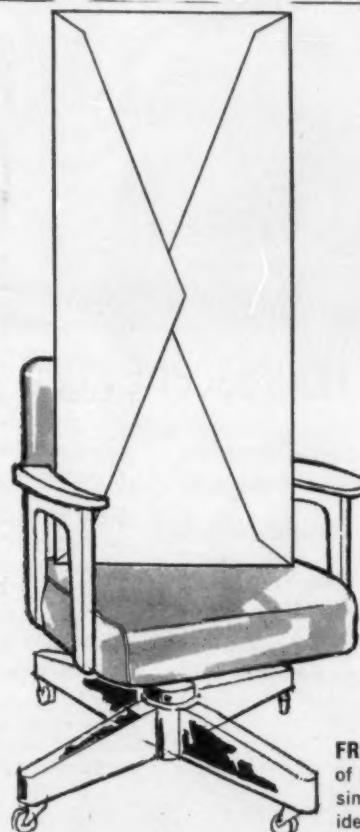


A. Morin, director of purchasing, Bogen-Presto, Div. of Siegler Corp. (hi-fidelity sound equipment), Paramus, N. J.:

"I believe the arrival but not the shipping date should appear. Geographical location can vary shipping dates as much as two to three weeks. By stipulating arrival date, vendor is advised of the date that material is actually required and the responsibility for shipping on time is placed on him. It would be quite a problem for our buyers to figure shipping dates, since we purchase from sources throughout the United States and Europe."



De Soto Chemical Coatings, Inc.
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Transportation Memos

REPARATION BILL BACKED: The ICC has gone on record again in favor of legislation that would permit shippers to recover unlawful charges from truckers and freight forwarders.

ICC Chairman Everett Hutchinson told a House subcommittee that shippers should have the same rights of recovery from truckers and freight forwarders as they do from railroads and regulated water carriers.

Under present laws, when the ICC suspends a rate hike, shippers can collect from railroads and water carriers the difference between what the ICC holds to be "reasonable" and what they actually paid during the time that elapsed between the effective date of the increase and the ICC judgment.

CONSTANT CHARGES BARGAIN: In an attempt to make the constant charge plan more palatable to shippers, the Middle Atlantic Conference has said it will take a cut in conventional rate boosts now in effect if shippers will accept the new plan.

The conference has been pushing without success for ICC approval of the plan, which would replace class and commodity rates on shipments of under 300 lb. with a system of charges based on weight and distance alone. The proposal is similar to the Eastern Central Motor Carriers Assn. constant charge plan, which the ICC recently suspended for investigation.

AIR-TRUCK TRANSPORT: Air Cargo, Inc., ground service

organization for domestic airlines, is working out a series of nationwide agreements between airlines and truckers for expediting air cargo to and from points not directly served by air.

Air Cargo said agreements for coordinating the service of selected truckers with the air freight service of 31 U. S. airlines in effect will add 262 cities in 20 states to the airline map.

QUICK SHIFT: Cardox Div. of Chemetron Corp. installed hydraulic lifting units at its Jersey City plant to shift containers of dry ice from semitrailers to trucks for local distribution. Units, from Stanray Corp., will transfer two containers in 15 minutes.

LOADING AND UNLOADING: The National Motor Freight Classification Committee is considering a change in its rules to require shippers and consignees to load and unload packages weighing more than 100 lb., instead of the present 500 lb. allowance. If the service is performed by the trucker, the charge for extra help in addition to the driver would be \$3.50 per hour, rather than the current \$2.50.

PORT HANDLING: A new set of loading and unloading charges also has been announced by Eastern railroads for export, import, intercoastal and coastwise freight at New York, Port Newark, Boston and Portland. The new rates will apply to all freight for which the charge now is less than 27½¢/cwt., with the exception of bananas and oil in bulk. The additional loading and unloading charges for most commodities will be \$2.74/net Ton (2,000 lb.) and \$2.75/gross ton (2,240 lb.).

PRE-LOADING SYSTEM: Pan American World Airways will start using its new preloading system for air cargo this September, which it said cuts ground loading time by about 2½ hours.

Under the system, known as Air Pak, cargo arriving at airport terminals is immediately segregated according to destination and loaded on to multiplex pallets. Each DC-7F air freighter will hold seven of the pallets, which can be loaded into the plane in less than an hour, compared with an average of 3½ hours required for handloading.

DOUBLE-TRAILER BAN: A bill has been introduced in the Ohio legislature which would prohibit hauling of gasoline or other petroleum liquids in double-trailer trucks like the one which exploded recently in Toledo, injuring 80 persons. Backers of the bill claim the accident was caused when the trailer jackknifed.

WHISTLESTOPS: T.I.M.E. Freight, Inc., said it will complete the change-over from 35 ft. to 40 ft. lengths in its inter-city trailer fleet this year with the purchase of 191 of the larger units. . . . Pacific Fruit Express, jointly owned by the Union Pacific and Southern Pacific, will enter the piggybacking field this fall in a big way. PFE has ordered four hundred 40-ft. refrigerator trailers as a starter. . . . REA Express said it will consolidate its five Westchester County, N. Y., offices into a single terminal in Ardsley this August.



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Within a year dust can black out 20% or more of the light you pay for. That's why Sylvania VHO (Very High Output) Powertubes are made round and smooth. Their simple tubular design sheds dust, and wipes clean with just a stroke.

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The Case of the Gloomy Santa Claus

How Would You Solve It?

American Arbitration Assn. Helped Bring Peace After a P.A.'s Yule Campaign Got Snowed Under

Instead of the good will and high spirits customary at the Christmas season, gloom pervaded the offices of a company that manufactured electrical percolators, casseroles, and other household appliances. The reason: Plans for a special seasonal promotion had been abandoned, and sales would not reach the levels that had been anticipated.

The manufacturer had planned an exceptional Christmas campaign. He contracted with a number of leading stores in the

community to supply them with elaborate point-of-purchase displays to tie in with their own promotion and advertising. Naturally, the manufacturer had built up his own inventory in anticipation of the demand.

The firm's purchasing agent had arranged to have the displays designed and built by an agency specializing in high quality work. The samples supplied were excellent, and the manufacturer looked forward to a profitable Christmas business.

About two weeks before the materials were to be delivered, the head of the agency informed the P.A. that the displays could not be completed.

"We just lost our two key men—they left us to set up their

own company—and it's impossible for us to complete the displays on schedule," the agent said.

The P.A. was irate. "This is a fine time to let us know!" he stormed. "It's too late for us to get anyone else to finish the job now. You've left us holding the bag. We've got obligations to our customers. We've even run ads. We stand to lose a pot of money and all you can say is that you're sorry! You'll pay for this!"

"Now calm down," the agency executive answered. "What can I do? Did I have a crystal ball to tell me I was going to lose my two best men? You forget that I'm going to lose money too!"

"We've already built four displays for you. Take them. Pay me \$500 for them. I'll absorb the cost of the materials I already bought for the other eight displays."

"But we've already spent over \$1,500 in advertising," the P.A. protested. "And what about the profits from the sales we expected to make?"

Arbitrators Called In

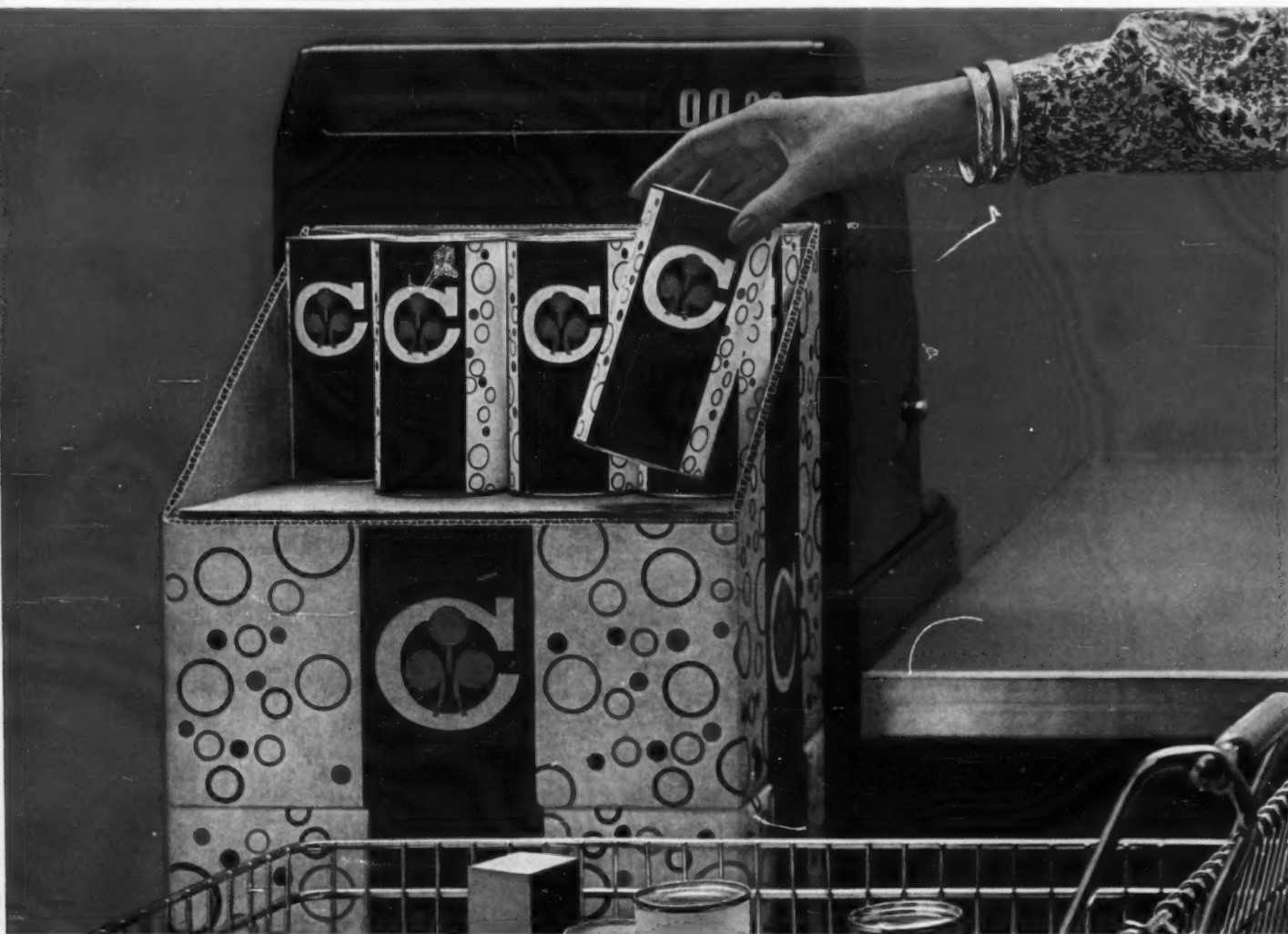
The agency executive felt that he couldn't be asked to do more than he had offered. The P.A. felt that more was called for, yet he didn't want to be unduly harsh in dealing with a relatively small firm. Fortunately, the contract between the manufacturer and the display company contained a clause requiring them to submit disputes to arbitration, according to the rules of the American Arbitration Association. Therefore, a panel consisting of a lawyer, an accountant, and the president of another household goods company decided the case. The case before the panel essentially was this:

Usually when a seller of goods or services fails to meet his contractual obligations, thereby forcing the buyer to meet his needs at higher cost on the open market, the latter can recover damages equal to the difference between the market price and the price set in the contract. But if the failure to deliver the goods causes the buyer to default on his obligations to his own customers, and the seller is aware of this risk when he contracts to make delivery, damages may have to be measured differently.

What's Your Answer?

If you sat as a member of the arbitration panel on this case, how would you adjudicate the issues?

Make your own decision. Then turn to page 14 and learn how the expert arbitrators solved the case.



PROBLEM: How to get sales appeal in your shipping container without the cost of three-color printing.

SOLUTION: International Paper's new *pastel* Gator-Hide[®] linerboard gives you *three* colors with two-color printing.

THIS DISPLAY container was made with two-color printing—on one of International Paper's new Gator-Hide pastel linerboards.

These amazing new linerboards are the lightest and brightest you can get without printing color on expensive bleached board.

They are typical of the wide range of fine linerboards available to you in the famous Gator-Hide series. Their

purpose: *better packaging at lower cost.*

Other examples include non-abrasive boards, release-coated boards, weather- and slip-resistant boards and highly printable coated linerboards.

But our work goes beyond the creation of new boards. Packaging experts in our Container Division study the special needs of *your* product. They start with the best materials for the job. And then turn them into rugged—yet light-

weight—shipping containers that deliver your product in *top selling condition* at minimum cost.

International Paper can provide you with paper packaging that is designed—from the very beginning—to suit your product.

Call any one of our twenty-two Container Division plants. Or contact your boxmaker. He has probably been doing business with us for years.



INTERNATIONAL PAPER

NEW YORK 17, N. Y.

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School for Strategists

This week P/W's 'School for Strategists' takes another look at the machinations in the world of finance. In one game you will see some backwoods wheeling-and-dealing for control of a distillery; the other shows how it's done by operators on Wall Street.

These games, prepared by P/W Consultant John Owen, are designed to show you the principles of Games of Strategy herewith reduced to a few simple rules.

Sample Problem

Two competing companies—Arnold Corp. and Byerson Corp.—want to bid on a contract. They are such bitter rivals that each even thinks of the other fellow's losses as his own gains. Here is their situation:

- If Arnold bids and Byerson does not, Arnold will lose \$2,000.
- If both bid, Arnold thinks he can gain \$1,000.
- If neither bids, Arnold thinks he's \$3,000 better off than Byerson.
- If Byerson bids, and Arnold does not, Arnold figures he's \$2,000 ahead.

What should Arnold do?

1. Sort his possible moves into two logical groups: 1) What happens if he bids, and 2) what happens if he doesn't. This is what you get:

	Dollar Value of Move to Arnold
Arnold bids, Byerson doesn't.....	-\$2,000
Arnold bids, so does Byerson.....	\$1,000
Arnold doesn't bid, neither does Byerson.....	\$3,000
Arnold doesn't bid, Byerson does.....	\$2,000

International Paper Joins Lily-Tulip Co. to Set Up New Paperboard Facility

Springhill, La. — Lily-Tulip Cup Corp. and International Paper Co. have formed a new company, Red River Paper Mill, Inc., to manufacture bleached paperboard for the two parent firms.

International Paper has sold Red River a fourdrinier board machine which has an estimated productive capacity of 250 tons per day. The machine is also capable of producing special food boards for cups, nestled food containers, milk containers and frozen food cartons as well as tag, file folder, index Bristol, and folding carton grades.

Itek Buys Heinz Kilfitt

Waltham, Mass.—Itek Corp. has bought Heinz Kilfitt Corp. of West Germany, manufacturer of precision optical equipment. Kilfitt products include lenses, optical measuring devices, and cameras. Sales in this country amount to about half of Kilfitt's total output.

Arbitration Answer

The arbitrators decided in "The Case of the Gloomy Santa Claus" that the display firm was definitely at fault and that the appliance manufacturer was entitled to damages to compensate him for the loss of expected profits. The display agency had known when the order was placed that the manufacturer needed the material especially to fulfill obligations to the stores for their Christmas sales effort. The displays were absolutely essential for this; they could not be obtained elsewhere on time to meet these obligations.

The American Arbitration Assn. is a private, nonprofit organization that helps businessmen, management, and labor find peaceful, fair-minded solutions to their quarrels. Many contracts between buyers and vendors contain a "future dispute arbitration clause," directing that any controversy or claim be settled in accordance with AAA rules.

Services of the association in adjudicating disputes are available in key business and industrial centers across the country.

For further information, contact the AAA at its main headquarters, 477 Madison Ave., New York 22, N. Y.



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2. Now put the dollar value of each move in a box (called matrix) so you can inspect the situation. You want to solve it from Arnold's point of view, so write Arnold's moves at the left and Byerson's at the top, like this:

	Byerson Doesn't	Byerson Bids
Arnold Bids	\$2,000	\$1,000
Arnold Doesn't	\$3,000	\$2,000

3. Find the lowest value in each horizontal series, and the highest value in each vertical series. Here's what you get:

	Byerson Doesn't	Byerson Bids	
Arnold Bids	\$2,000	\$1,000	\$2,000
Arnold Doesn't	\$3,000	\$2,000	\$2,000*
	\$3,000	\$2,000*	

4. Note that the figure \$2,000—starred for visibility—is common to both horizontal and vertical series. **THIS FIGURE IS THE STRATEGIC SOLUTION TO THE PROBLEM.** To put it another way: Arnold should not bid, and Byerson should. This is the sanest settlement for both.

Now try these two problems using the same technique:

Problem I. Mountain Maneuvers

The Backwoods Bourbon Distillery is owned by the Jones family. Clem Jones, the oldest of the Jones boys, has been directing company policy for years. But lately his brother-in-law, Willie Smith, plant manager for the distillery, has been coming more and more to the forefront as a challenge to Clem's leadership.

Clem's fear is that Willie is putting expansion ahead of profits, a practice that would cut down on Clem's dividends. And his fears have been bolstered recently by rumors that Clem is planning to acquire a rival distillery—a move that would cut into Backwoods' cash position and definitely would reduce the dividend payout.

Clem believes Willie will announce his plans at the annual family turkey shoot, and he is determined, therefore, to bar Willie from the outing and thereby show his disapproval to the whole Jones family.

However, Willie may already have made the acquisition, so this is how the situation looks:

• If Clem bars Willie, and Willie has gone ahead with the acquisition, Clem can use the occasion to denounce his brother-in-law and gain family support for his view. Score +5 for Clem.

• If Clem bars Willie, and Willie hasn't gone ahead with the acquisition, Clem

can use the occasion to denounce the evils of expansion at the cost of dividends. Score +2 for Clem.

• If Clem doesn't bar Willie, and Willie goes ahead with the acquisition, he seemingly has Clem's tacit approval and can use the turkey shoot to promote his plan to the rest of the family. Score -10 for Clem.

• If Clem doesn't bar Willie, and Willie hasn't made the acquisition, there's no gain or loss for either.

Here is the way the situation looks to Clem:

	Value to Clem
Clem bars Willie; Willie has made the acquisition	+5
Clem bars Willie; Willie hasn't bought the rival	+2
Clem doesn't bar Willie; Willie makes the acquisition	-10
Clem doesn't bar Willie; Willie hasn't made the acquisition	0

Now, using a game payoff box as explained in the instructions, what should Clem do?

(Answer on Page 31)

Problem II Wall Street Strategy

Two rival financial groups are interested in taking control of an ailing machinery firm, the Thumping Sump Pump Company. The larger of the two groups, the Van Jones syndicate, would be able to get control of Thumping Sump by ordering a pump firm they own to start a price war against Thumping Sump's products. Thumping Sump's profits then would fall, and the resulting drop in the value of Thumping Sump stock would enable the Van Jones group to buy the controlling share.

The rival syndicate, the Smythe group, has a plan to force the stock down even further. The Smythe scheme is to bribe certain unscrupulous individuals at Thumping Sump to call a strike at the time of the price war. If timed properly, this would allow the Smythes to buy in and force the Van Jones group to share control of Thumping Sump with them.

Here is the way the strategies look to the Van Jones syndicate:

• If the Van Jones group starts a price war, and the Smythes cause a strike, Van Jones will have to share control of Thumping Sump, but still get much of what they want. Score a gain of \$2 million (+2) for Van Jones.

• If the Van Jones group goes ahead with the price war, and the Smythes delay the strike, Van Jones takes over complete

control as planned. Score \$5-million (+5) for Van Jones.

• If the Van Jones group doesn't start a price war, and the Smythes strike, Van Jones can wait until the strike is settled to take over. But the delay will reduce the value of the company and make this outcome worth only \$1-million (+1) to Van Jones.

• If neither side moves, the status quo prevails, with zero loss or gain.

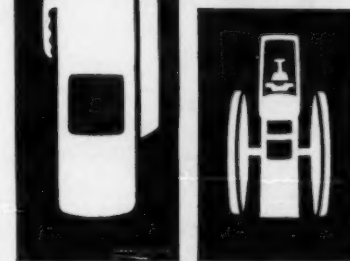
Here is how the payoffs line up for the Van Jones group:

	Value to Van Jones
Van Jones starts a price war, Smythes cause a strike	+2
Van Jones starts a price war, Smythes don't strike	+5
Van Jones doesn't start a price war, Smythes strike	+1
Van Jones doesn't start a price war, Smythes don't strike	0

Now, which of the strategies should the Van Jones group use? (Hint: set up a payoff box as in the example, putting Van Jones at the left side of the box.)

(Answer on Page 31)

■ a review of
your company's
fire protection
program...now,
may turn out to
be one of your
best decisions



Write for our latest catalog describing Ansul's complete line of hand portable dry chemical, carbon dioxide and water extinguishers, wheeled, stationary, mobile units and automatic systems.

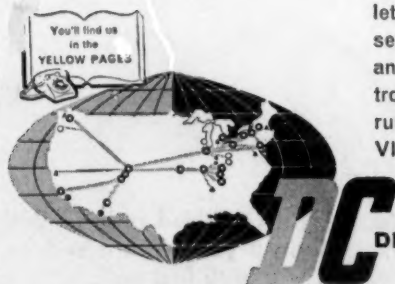
Name _____
Title _____
Company _____
Address _____
City _____ State _____

ANSUL CHEMICAL COMPANY
101 STANTON ST. MARINETTE, WISCONSIN

DC's
single-carrier
service
means a lot
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Purchasing Agent
who wears two hats!

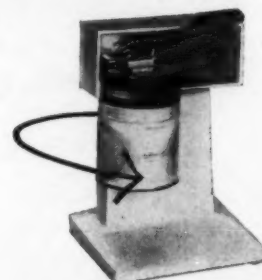


When you want materials, parts or merchandise delivered on time and in good condition, let D-C do it! Coast-to-coast, direct, one-carrier service is exclusive with Denver Chicago. You and your company profit by one-carrier control, one-carrier handling that saves up to 20% running time. Next time, be sure. Specify "SHIP VIA D-C"... the Dependable Carrier!



DENVER CHICAGO TRUCKING CO., INC.
the ONLY direct coast-to-coast carrier

Silent nylon gears
drive can opener



Custom molded
by CMPC

APPLICATION: Gear train and base for new Sunbeam electric can opener.

ADVANTAGES: Injection molded nylon gears deaden motor shaft sounds—operate smoothly and quietly. Nylon has high impact resistance and is self-lubricating. This permits high speed operation with little danger of heat build-up due to friction or lubricant failure. CMPC also injection molds the opener base, using Tyrol® a tough, stain-resistant plastic.

Specify CMPC... custom plastic molders for over 40 years.

CMPC CHICAGO MOLDED PRODUCTS CORPORATION
1020-N. N. KOLMAR AVE. CHICAGO 31, ILLINOIS

The Economy at Mid-Year: P/W Takes a Look

Barometers Signal Continued Slow Pickup

LEADING INDICATORS	WHAT THEY PREDICT	CURRENT OUTLOOK	OUTLOOK 3 MOS. AGO
P/W Price Barometer	Imminent changes in overall demand	↓	↑
P/W Overtime Index	Urgency of meeting delivery schedules	↑	↓
Day's Supply	Future inventory policy and trends	↑	↑
Ratio: New Orders/Sales	Trend in backlogs and business activity	↑	→
Ratio: Stock/Orders	Effect of orders on production schedules	↑	↑
Business Births	Opportunities available for new business	↑	↓
Business Failures	Relative health of business community	↓	↓
Industrial Stock Prices	Wall St. appraisal of business outlook	→	↑
Capital Spending	Spending plans of the nation's businessmen	↑	↓
Machine Tool Orders	Business feeling about future economic climate	→	→
Construction Awards	Future overall construction activity	→	↓
Housing Starts	Near-term residential building activity	↑	→
Consumer Attitudes	Inclination to buy over next few months	→	→

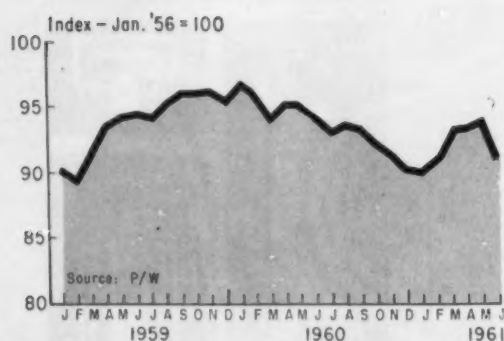
Business activity—after more than four months of recovery—still fails to show any clear-cut signs of bursting into a full-scale boom.

The accompanying roundup of P/W's key barometers tells the story. Only seven of the indicators are pointing up, most of the others still are in "neutral".

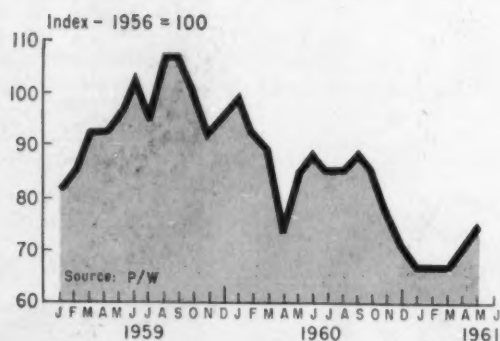
This is a considerable improvement over three months ago when these barometers were a lot more scattered. But it's still a far cry from 1958—at the beginning of the last recovery—when virtually all the indicators were pointing up.

Many top economists feel this "less than sensational" reading means that recovery will be slow—taking the shape of a saucer-shaped "U" rather than the usual sharper "V" pattern. Specifically, here's what they see:

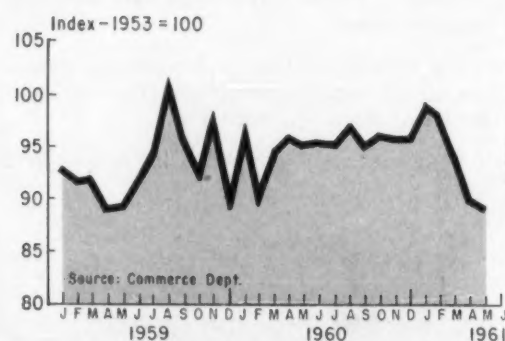
Key Economy Barometers Underscore Reasons Why the



PRICE BAROMETER: Lack of strength (tags are 4% below May highs) indicate spotty demand pattern for third quarter.



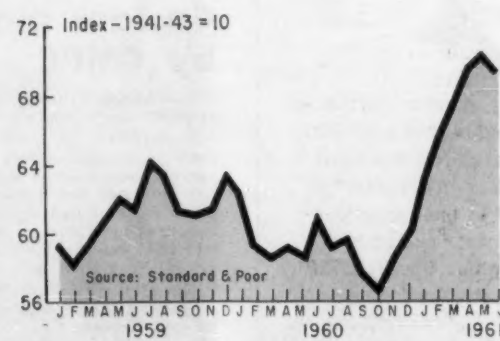
OVERTIME HOURS: Index is up 10% from March low—but still well below the highs hit in 1959.



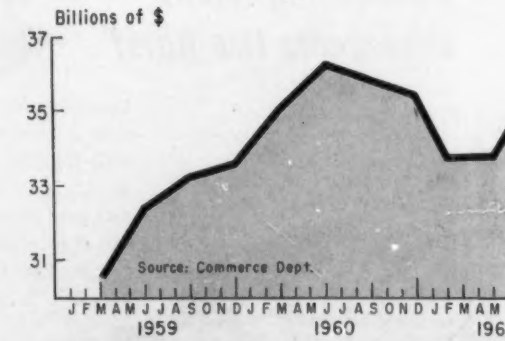
DAYS' SUPPLY: Steady drop (10% since January) indicates pickup will mean substantial boost in material purchases.



BUSINESS DEATHS: A 4% jump in May failures means rough competition. One bright spot: Dollar liabilities are low.



INDUSTRIAL SECURITIES: Leveling out of stock prices means Wall Street is more cautious of recovery pace.



CAPITAL SPENDING: Third quarter will show first rise in a year. But it will be small, only 2% above first half.

At Post-Recession Business Activity in the U.S.

PROFITS: Better volume means pre-tax profits will rise from recession low of \$40-billion to over \$50-billion by early '62.

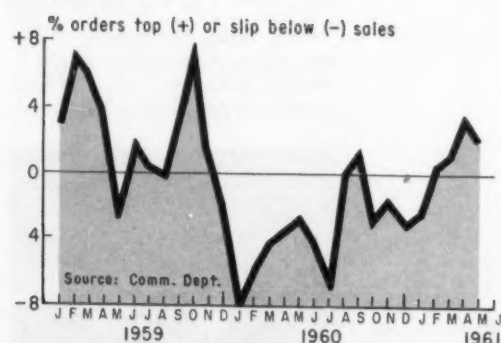
UNEMPLOYMENT: Influx of new workers plus automation will keep the jobless rate above 6% for the remainder of the year.

PRICES: Industrial tags (see survey, page 1) may inch up. But spotty recovery will limit end-of-year rise to less than 1%.

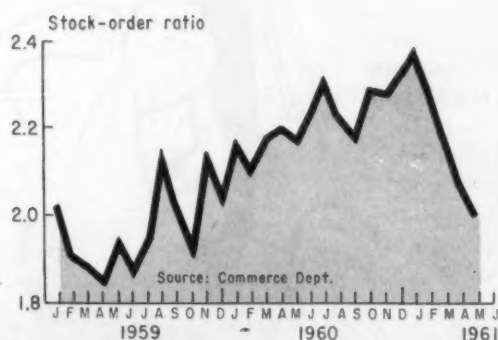
GNP: Consensus now sees a figure of \$530-billion for the fourth quarter. That's \$30-billion or 6% above recession low.

OUTPUT: Despite summer pause, index by year end should be around 115 (1957=100). That's about 6% above current levels.

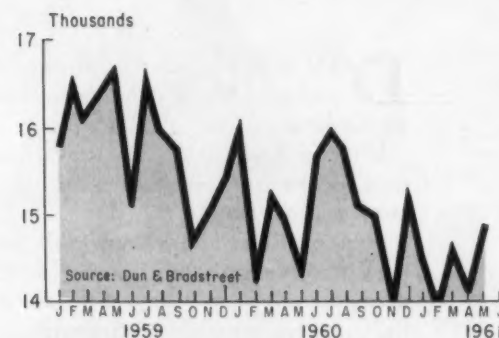
Recovery Has Been Somewhat 'Less Than Sensational'



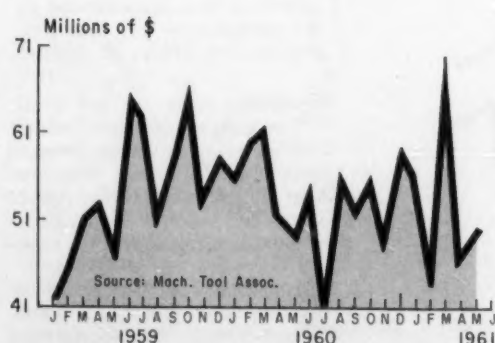
ORDER-SALES RATIO: Four straight months in the plus column mean that backlogs are again beginning to rise.



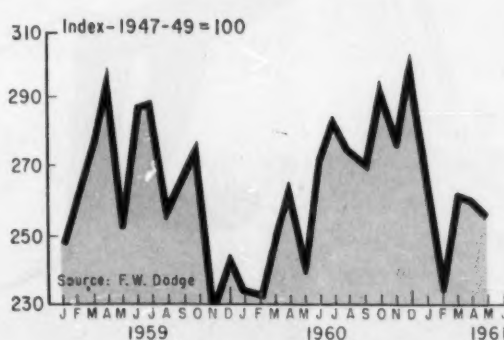
STOCK-ORDER RATIO: Lowest ratio in 17 months increases chances that orders will stimulate new production.



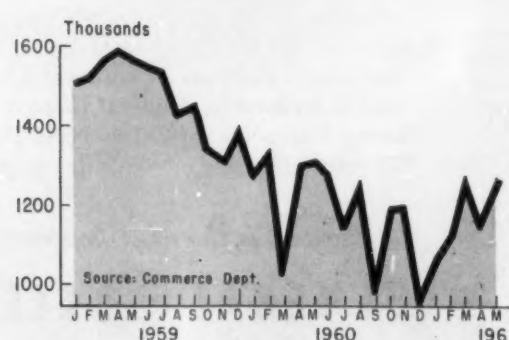
BUSINESS BIRTHS: New incorporations are at a six-month high—indicating a more favorable economic climate.



MACHINE TOOLS: There's still no evidence of any big upsurge. Latest levels are still well below 1960 averages.



CONSTRUCTION CONTRACTS: Current steadiness (little change in 3 months) still leaves totals below last fall.



HOUSING STARTS: May rise to 1.3-million annual rate; while encouraging, still leaves total below 1959's 1.5-million.

Inventory Control Game Lively Dist. 8 Workshop

Potsdam, N.Y.—A simulation inventory control game provided a change of pace at the NAPA District 8 advance purchasing workshop here.

P.A.'s received ground rules, an inventory data sheet, and then were given inventory withdrawal information; they were asked to establish the best inventory level norm at the lowest possible price.

Dr. Howard T. Lewis, professor emeritus, Harvard Graduate School of Business, conducted the workshop. This was the second annual get-together with a

college sponsored by District 8. This year's session was held in conjunction with Clarkson College of Technology, while last year's workshop was co-sponsored by Cornell University.

The curriculum covered dealt with problems facing P.A.'s and included materials management, vendor relations, vendor rating, trade relations, and value analysis. Each participant received a certificate of proficiency for successfully completing the work.

At the end of the workshop meeting, W. B. Wilson, Bendix Corp., Sidney, was elected class president and N. K. Smith, National Research Council, Ottawa, was elected secretary.

Little Pool Buying by State Units, Survey Finds

New York—Municipal and county purchasing departments do their own buying in most states, despite the current trend to centralized procurement in both industry and the federal government.

That's one of the major findings of a survey of state and local purchasing policies made by the Council of State Governments. The study, which is part of a larger report on the functions of state agencies, shows that pool buying has made very little headway in the states, because very

few of them have been given the authority to set up centralized procurement agencies.

What's more, in those states that do have official sanction to buy for local P.A.'s, a majority do so only occasionally. The reason, according to state P.A.'s, is that the municipalities prefer to go it alone.

On the other hand, most state purchasing departments, the survey reveals, offer and freely give advice and assistance to their local political subdivisions. This is true even in states that do not

conduct any actual buying for the local levels.

Advice and assistance cover such services as providing price comparisons, technical information on products, testing of products, lists on sources of supply, copies of contracts, bid copies, bid forms, and specifications sheets. In New York, for example, state assistance is extensive. There are on New York's mailing list, about 1,080 political subdivisions that receive material from the state purchasing division.

The state division will originate specifications, prepare proposals, and make awards based on the requirements of any political subdivision. It also will furnish the state's recent awards for price comparison and sources of supply purposes.

New York's purchasing division will even test in the state labs any item purchased under its contracts by the subdivisions.

In New Hampshire, the state purchasing department has attended regional meetings to advise on internal organization and has provided complete information on all phases of centralized purchasing for the local purchasing agents.

In Vermont, which has legal power to purchase for political subdivisions, the notice of state contract prices has been an indirect help to the municipalities. When local merchants who deal with the towns find out these prices, they have reduced their own bids to a level equal to or below those the state contacts. In effect, the state agency acts as a negotiation weapon for the town P.A.'s.

Keliher Named President Of New York P.A. Group

New York—Donald T. Keliher, purchasing director, U. S. Metals Refining Co., has been elected president of the Purchas-



THREE GENERATIONS: New head of New York P.A. Assn., Donald T. Keliher (l) is congratulated by his predecessors (l-r) Gailon C. Fordyce and George W. Baker.

ing Agents Assn. of New York.

Other new officers include: Charles B. Adams, General Electric Co., 1st vice president; Peter P. Heaney, DeJur-Amsco Corp., 2nd vice president; Lewis A. Norris, Dreyfus & Co., treasurer.

Appointed to the board of directors were: Edwin M. Close, Hanson-Van Winkle-Munning Co.; Eugene S. Page, Olin Mathieson Chemical Corp.; Thomas Parise, Allen Industries, Inc.

First from General Electric (1959)...another bright idea that became a better lamp for you

G-E All-Weather Fluorescents shine brighter when mercury drops

Mister Magoo says... "1959? A chilly year! Alaska joined the Union, and General Electric invented the All-Weather fluorescent. Happy birthday, All-Weather. Humph! Packaging experts! Who needs a wrapper on a pool cue?"

DON'T drop your cue, Mister Magoo. It's a specially jacketed All-Weather lamp, another first chalked up by General Electric.

It wears that glass jacket to ward off winter wind and cold. Below freezing, it's the most powerful fluorescent lamp you can buy.

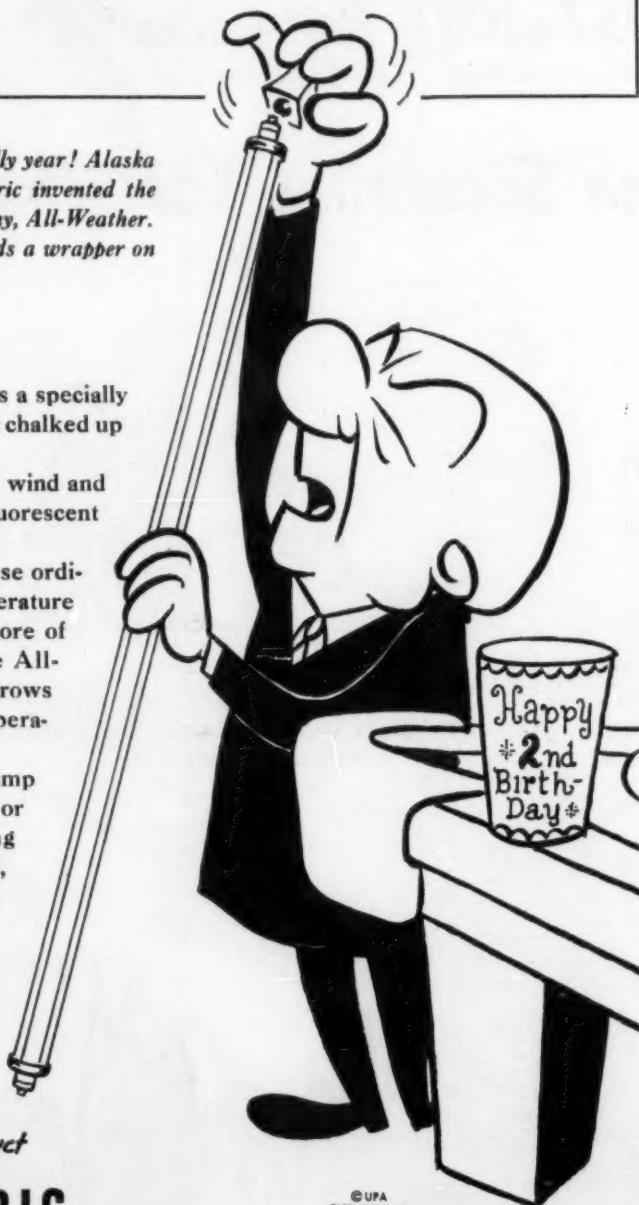
General Electric developed this lamp because ordinary fluorescents grow dim when the temperature dives toward zero. Often they lose 90% or more of their warm-weather light output. But the All-Weather fluorescent T10J—a G-E exclusive—grows brighter the colder it gets! Use it where temperatures sometimes drop below 40°F.

You can use the T10J—or its companion lamp (T10) without the "storm window"—indoors or out. Examples: walk-in freezers, shopping centers, drive-ins, parking lots, street lamps, store fronts, airports, docks, signs, gas stations.

Both come in 4', 6', and 8' lengths. Ask your G-E distributor to show you these two exclusive examples of General Electric lighting leadership. General Electric Co., Large Lamp Dept. C-111, Nela Park, Cleveland 12, Ohio.

Progress Is Our Most Important Product

GENERAL ELECTRIC



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Waterway Interests Map Strategy To Fight Toll Increase Proposals

Chicago — National Waterways Conference, a recently formed organization of shippers, carriers, and other waterway interests, met here to map strategy to defeat pending toll proposals.

The NWC campaign will be directed primarily against legislation now before Congress to create an inland navigation commission which would be authorized to levy tolls of about 2 mills/ton-mile. Legislation is supported by recommendations of both the Doyle Transportation Study Group and the Commerce Dept. which favor the user charge or toll principle.

As part of its campaign, NWC is making a study of the effect of tolls on such basic products as coal, iron ore, petroleum and petroleum products, chemicals, alumina, and raw foodstuffs.

Preliminary findings indicate that differentials of as much as \$2.50/ton would result for coal deliveries, with proportionate rises in the cost of power and finished products. Similar differentials would result in a cost spiral for other commodities. For example, differentials of up to \$7.50 would show up in the shipment of raw foodstuffs the NWC claims. Shipment of petroleum and petroleum products by water now costs about 2 mills/ton-mile. The proposed toll would double this cost and quite likely force a complete switch to pipeline transport.

NWC spokesmen also claim that even if the railroads captured all waterway shipments, they would benefit by an increase of only 4% to 5% while a vital link in the transport chain would be lost.

Paul G. Blazer, president and

chairman of the board of NWC, and an executive of Ashland Oil & Refining Co., Inc. termed the problem a regional one. He outlined a two-pronged attack.

• **Alert affected regions**, which in turn "can take direct action with elected representatives."

• **Research and Education.** "Education of industry and public with facts gained through our research can do more than all the lobbies in Washington to attain our goals."

Grain Elevator to Help River Traffic Flow Again

Sheffield, Ala.—TVA will use a grain elevator mounted on a sunken barge to help unsnarl the Tennessee River traffic jam caused by the collapse of a wall at Wheeler Lock near here recently.

The break in the lock cut the Tennessee River in two, stranding more than 100 barges and towboats above Wheeler Dam.

The barge with the elevator on it will be sunk in eight feet of water on the downriver side of the dam. Barges headed upriver will unload their cargo into the

elevator and the grain will be lifted up and over the dam into the holds of barges on the other side.

The emergency system is expected to be in operation within a month.

TVA will lease the barge and elevator from Cargill, Inc., Minneapolis. Cargill and 10 other grain companies will share the operating costs.

Grain shipments normally account for about 65% of the river traffic through the Wheeler Lock. Since the tie-up began,

these shipments have been moving by land. As a result of the higher transportation costs, corn prices in Georgia are reported to have risen 9¢ to 12¢/bu.

TVA and various shipper groups also are working on plans for moving chemicals, asphalt, and molasses over the dam by means of pipelines. In addition, the TVA has offered to build two pipelines around the dam for refined petroleum products, which cannot be moved over the dam because of the danger of fire or explosion.

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PLANTS COAST TO COAST

New Markets, Transport Cited as Top Worries Of Scrap Iron, Steel Firms

Galveston, Tex.—The scrap iron and steel industry faces difficult, but not insurmountable, problems in expanding its business, William S. Story, executive vice president of the Institute of Scrap Iron & Steel, said here.

To help improve the scrap market, the Institute has worked out a technical information program with the aid of the American Iron & Steel Institute, he told a meeting of Gulf Coast scrap dealers. Object of the program is to provide more information about No. 2 bundles, particularly automobile bundles, so that they can be better tailored to steel mill requirements.

Singling out transportation costs as another big industry problem, Story said his group is pressing its case with the ICC to obtain lower railroad rates in the East, where the largest mills are located.

Story said that while the scrap business has improved as a result of increased domestic and strong foreign demands, "much progress is necessary" before sales will return to earlier levels. "If it hadn't been for the volume of exports in 1960 and early 1961, many industry members would have fallen by the wayside," he said.

Maine P.A.'s Sponsor First Seminar In Cooperation With State University

Augusta, Me.—The Maine Purchasing Agents Assn. has chalked up its first purchasing seminar as a resounding success.

Some 30 local P.A.'s, including a representative of the State Dept. of Economic Development, attended the three-day purchasing session.

The seminar was held in cooperation with the School of Business Administration, University of Maine.

Case Studies

Purchasing agents heard Prof. Wilbur B. England, Harvard University's Graduate School of Business Administration, discuss the purchasing function and review pertinent case studies.

Edmund Pfeffer, director of purchases Lukens Steel Co., Coatesville, Pa., spoke on purchasing's role in management. Herbert Layport, manager of purchases, Wyman Gordon Co., Worcester, Mass., discussed purchasing procedure.

Prof. William J. Ruckstuhl, School of Business Administration, University of Maine, opened the second day's proceedings with an educational review of the economic basis of purchasing.

Proper Trade Relations Can Be Good Will Tool, Ohio P.A. Group Told

Canton, Ohio—Trade relations—properly applied—can and should be used as a good will tool in the direct interest of sales, according to Leonard T. Willison, director of trade relations, Jones & Laughlin Steel Corp., Pittsburgh.

This function need not jeopardize good, sound purchasing practices and business relationships, Willison told P.A.'s at a monthly meeting of the Canton & Eastern Ohio Assn. It should be looked upon, he said, as an adjunct to the sales effort but not as a crutch, and more importantly, not as a threat.

Is a Difference

Willison pointed out that there is a difference between what used to be called reciprocity and the modern approach of joint cooperation now known as trade relations.

Because of the possibilities of abuse, trade relations, he stressed, must be under controlled administration. Nowadays, he said, the trade relations man is more than likely the vice president or an assistant to an over-all top executive as is in no way related to either sales or purchasing.

Willison told the group that the negotiator must stand alone in his company with properly established authority to act both for and against sales and purchasing. He must remember at all times that his principal function is to offer assistance that will improve the sales position of the company.

Sales volume at proper sales purchasing ratio is the result of proper trade relation negotiations, Willison said. This ratio factor is only a guide that must be coupled with sound purchasing procedure. Trade relations, he added, can be used "to create, maintain, and improve commercial friendships."

"Where Is the Nation Headed (Economically)" and purchasing ethics were also covered.

Ronald W. Clifford, director of purchases, University of Maine, was chairman of the seminar committee. Also on the committee were: Harold F. Bell, assistant manager of purchasing and stores, Bangor & Aroostook Railroad; R. Leon Lary, purchasing agent, Maine Turnpike Authority; S. Roy Swanholm, assistant buyer, Dragon Cement Co.



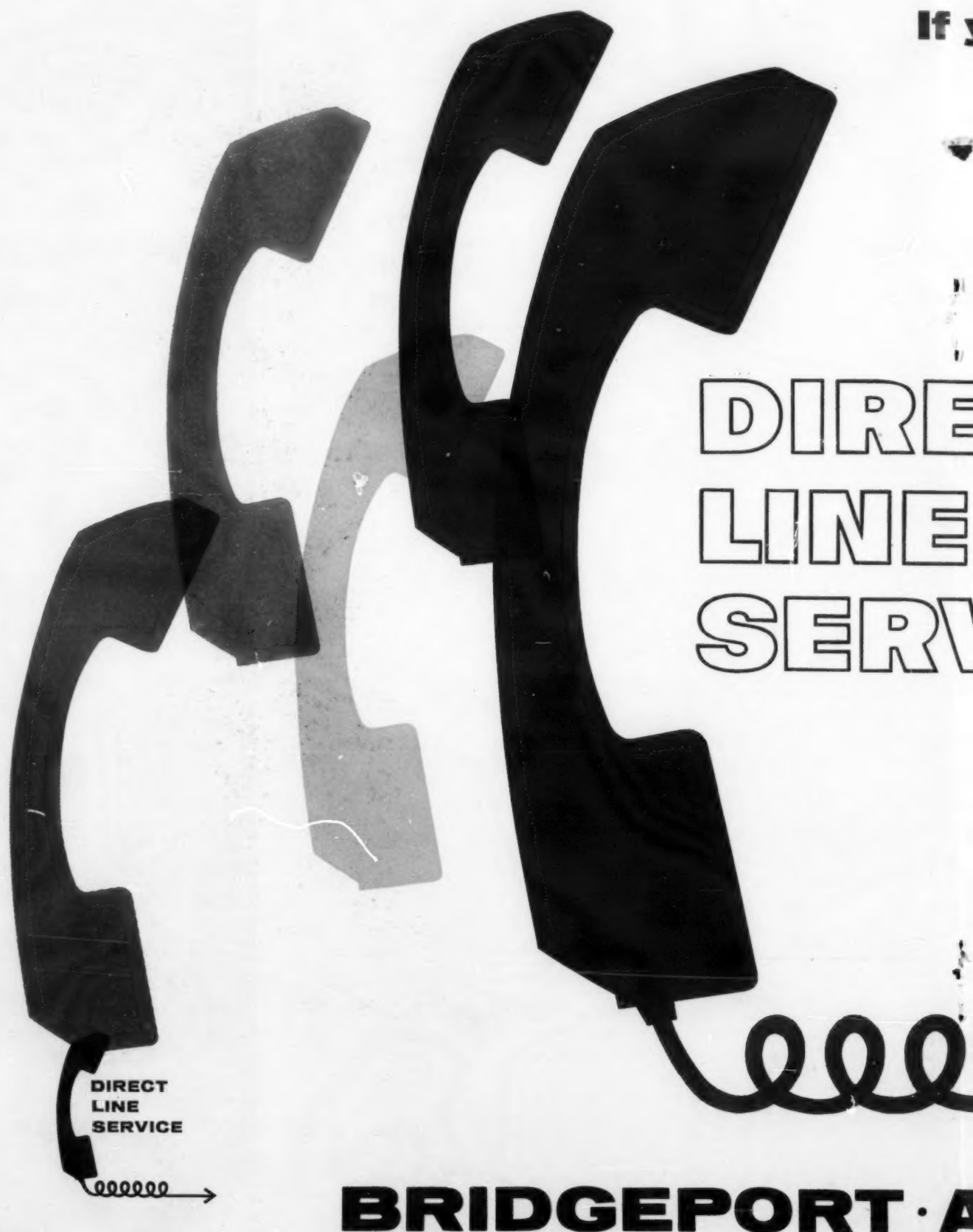
SEMINAR PARTICIPANTS: These local P.A.'s took time out from purchasing duties to attend Maine Assn.'s first purchasing seminar.

Trenton P.A.'s Outing Underwrites Scholarship

Trenton, N.J.—The formula followed by the Purchasing Agents Club of Trenton for painlessly underwriting its scholarship program is an annual all-day outing.

P.A.'s invite their salesman, engineer, and production supervisor friends to join them in the fun and all profits made are used by the club for their scholarship program.

Each year the Trenton Club gives one \$400 scholarship (\$100 for four years) to a student nominated by the Trenton High School faculty.



BRIDGEPORT · A



WISCONSIN CLASS OF '63: Front row (L-R) S. G. Van Arsdell, Chicago & Northwestern; Frank Lofthus, Wisconsin Motor Corp.; P. L. Brewer, A. O. Smith Corp.; H. J. Jungbluth, RT & E Corp.; David Young, Deere & Co.; Henry Schmidt, Johnson Service Co. Second row: Harvey Lewis, Falk Corp.; William Brassmann, Koehring Co.; A. K. Kolar, Link-Belt Co.; Stan Young, Thilmany Pulp and Paper, W. M. Bergemann, Falk Corp.; Fran Grumley, J. I. Case Co.; Allan Felton, Red Star Yeast and Products. Not Shown: Lee O'Leary, Ansul Chemical Co.; Larry Jarvey of Oshkosh Motor Truck.

P.A. 'Students' at University of Wis. Hail Materials Management Classes

Madison, Wis.—Fifteen P.A.'s will be going back to school this fall, marking the half-way point in a new phase of management education—an integrated four-year program in materials management at the University of Wisconsin.

When this select group returns to the classroom in October, they will be starting the third section of an exploratory program launched two years ago, based on a blueprint drawn up by the

participants themselves to fit their personal and professional needs.

The idea of the program, conducted by the Management Institute of the university, is to provide instruction in the entire materials management process—administration, personnel, technical aspects, and general management.

Classes got under way in the fall of 1959 after an advisory committee of P.A.'s held several planning sessions with Prof. William P. Stilwell, assistant director of the Management Institute and coordinator of the program. The participants meet three times a year for two-day sessions. So far the course has touched on such topics as costs, budgets, corporate financing, marketing, production planning, statistics, inventory control, traffic, and production control.

This fall the emphasis will be on personnel in materials management. The studies will cover: (1) organizational planning and performance standards; (2) working with other executives and communications; (3) coaching and counseling; (4) training and development; (5) labor relations; (6) motivation; and (7) group sociology.

Scheduled for the 1962-63 wind-up of the series is a kind of review program, called "General Management," which will cover work from the previous years put together to meet the special interests of the enrollees.

"The success of the program," says Prof. Stilwell, "lies in the fact that from the beginning the planning has been done largely by the participants themselves." He points out that an important part in the encouragement of continuing education is meeting the wishes of those who desire further training.

The class is enthusiastic about the program. Said one P.A., "Education is a must. It's beyond the opportunity stage—it's now at the ultimatum stage. The lazy P.A. will lose his heritage and be a clerk in 10 years."

Another student added, "The good doctor has to keep up on latest developments in his profession. It's the same with us. If we want professional status, we have to believe and think and live like professionals."

These purchasing agents feel that there is more to be gained from the four-year course than from a one-shot seminar. According to the students, they settle down and acquire the mood of "going to school." Also, the participants get to know each other and the instructors better, which makes for more class participation and exchange of ideas.

Summing up the general opinion toward the course, a Wisconsin P.A. comments, "In this program you build confidence in yourself, because you know what you're talking about."

Holtman Re-Elected

Indianapolis — Raymond F. Holtman, executive secretary-treasurer of the Purchasing Agents Assn. of Indianapolis, was reelected to the executive committee of the Associated Purchasing Publications.

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ALUMINUM · BRASS



Purchasing Week's Dallas Perspective



MARVIN REID

P/W Bureau Chief

**Focuses a Purchasing Spotlight
On Shipping in the Southwest**

Business and industrial leaders of Fort Worth and Dallas are working together on a long-range project to secure a navigable waterway. In one of the few times the two cities ever have

agreed on anything, their common goal is to open Trinity River for barge transportation.

Actually, a waterway to the Gulf of Mexico has been a dream of North Texans for over a century. The campaign reached dedicated proportions after World War II, and it now appears that those behind the fight may have victory within their grasp.

The timetable now calls for the Corps of Engineers to complete a survey of the navigable possibilities of the Trinity by mid-1962. The Trinity Improvement Assn., made up of area leaders and others, are positive the survey report will be favorable, although the issue will be in doubt until it comes out.

If the Corps does report favorably on the project, final approval and authorization of funds to do the work will have to be obtained from Congress. The association hopes to accomplish all of this by 1964, get construction started by 1965, and have barges plying the Trinity by 1970.

The association conducted a survey on its own, and estimated the benefit-cost ratio of opening the river up to barges would be \$2.09 to \$1. In other words, for each dollar spent, the Dallas-Ft.

Worth area would get \$2.09 in return—primarily as a result of freight savings.

Leaders of the campaign are not going into details at this time about their own survey because they don't want to cloud the one being made by the Corps of Engineers. For one specific example, however, they point to a 42-story Dallas building, Southland Center, which was completed in 1959. If structural steel for this building could have been brought in by barge, a freight savings of \$360,000 would have been realized.

Community leaders of both Ft. Worth and Dallas believe they will have to offer water transportation if the area is to attract outside business in the future. They don't bring up the subject, but they are aware that some possible business additions have already been lost to cities like Houston.

• • •

Other activities worth noting about the Dallas-Ft. Worth area in late June included: The move of five more members of Collins Radio's central management group from Cedar Rapids, Iowa, to Dallas. **This added fuel to widespread rumors circulating for a year or more that Collins eventually plans to locate its headquarters in the Dallas area.**

The latest move includes vice presidents of administration, finance, and operations control. The other two are the company's general attorney and the director of advertising and public relations.

Remaining top management people in Cedar Rapids will be the president, executive vice-president of operations, and the vice-president and general manager of the Cedar Rapids division.

Texas Instruments, meanwhile, has been undergoing a reorganization. The firm's semi-conductor division will be split into two groups, and there is to be a realignment of top personnel titles and responsibilities. Details as to how its purchasing operations might be affected were lacking, pending official announcement of the move by the company.

Ling-Temco Electronics continued its trend toward diversification by making a long-anticipated move into the home appliance market. The firm's industrial division placed a newly designed automatic dishwasher in the hands of sales representatives, distributors, and large department stores.

The Ling-Temco unit is supposed to offer more installation flexibility than competitive units. It is also priced "about \$125 below competitive model list prices," according to Ling-Temco.

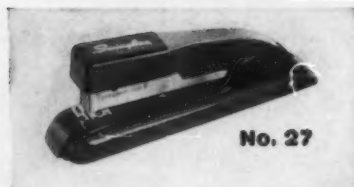
The company plans to be manufacturing 300 units daily by July and anticipates total production of 300,000 units during 1962.

General Dynamics-Ft. Worth (formerly Convair) has saved over \$14-million the past 10 years through value analysis, reports purchasing agent Charles R. Schuler. The methods used have been so impressive that the Ft. Worth plant now is cleared to issue purchase orders up to \$500,000 on defense contracts without prior governmental approval. It is one of the few plants in the nation cleared to make purchases that high on defense orders.

The President of Swingline Shows:



**How American Ingenuity
Solved the Pilferage
Problem in Staplers**



No. 27

Disappearing staplers had been a major problem in many business firms until Swingline Research Experts came up with the answer: an exclusive imprinting process that permanently identifies every stapler you buy with your firm name or trademark.

RESULT: Major firms throughout the country who are now using Swingline No. 27 Imprint Staplers find people love them...but leave them.

And...did you know Swingline also makes Staple Removers?

The same high quality you enjoy in Swingline Staplers is yours in Swingline Staple Removers. Extract staples in one easy, quick movement saving fingernails and paper...won't tear even the thinnest onionskin. Crisply modern in design with all metal parts finished in gleaming, tarnish-proof chrome, this handsome Staple Remover comes in 4 favorite colors: red, green, black and grey. Write for a complete list of Swingline Office Aids.



No. 100

Swingline INC., Long Island City 1, New York
World's Largest Manufacturer of Staplers for Home and Office

In the World of Sales

Robert D. Eklund has moved up to district sales manager, film operations, **Packaging Div., Olin Mathieson Chemical Corp.**, Bala-Cynwyd, Philadelphia.

L. F. Richardson has been elected vice president in charge of sales activities, **Bailey Meter Co.**, Cleveland.

Robert L. LaBelle has been advanced to sales manager of automotive Koylon foam and automotive mats, **Footwear and General Products Div., U. S. Rubber Co.**, Mishawaka, Ind. He succeeds **Forrest E. Palmer**, recently named manager of automotive sales.

Donald Luehrs has taken the post of territory manager, commercial, industrial and automotive sales div., **Campbell Chain Co.**, York, Pa. He was previously employed by **Akron Laminating Co.**, Akron.

Roy F. Schumacher, manager of sheet and tin plate sales for **Bethlehem Steel Co.**, **Pacific Coast Div.**, since 1955, has been promoted to product supervisor, tin mill products, for the company's New York district sales office.

Fred W. Beitner has moved up to vice president, sales, **Trent Tube Co.**, a subsidiary of **Crucible Steel Co. of America**, East Troy, Wis.

Walter T. McCoy, Jr., was elevated to manager of the regional sales engineering office in Chicago, **R. C. Mahon Co.**, Detroit.

Robert E. Daniels was named sales manager, **Schaeffler Engineering**, Pennsauken, N.J. He was with **Epsco, Inc.**, Boston.

Carl J. Oldenburg has been promoted to eastern sales manager, petroleum chemicals, **Oronite Div. of California Chemical Co.**, a subsidiary of **Standard Oil Co.**, San Francisco. He will be headquartered in New York City.

Clinton J. Starke has taken the post of central district sales manager, **Dapon Dept., Food Machinery and Chemical Corp.**, New York City.

Edward R. Nepkie, former

Use of VA Expanding Erie P.A. Group Told

Erie, Pa. — Standardization and value analysis programs will be quite prominent in many industries in another year or so, **Joseph Becker**, retiring president of the **Erie Purchasing Agents Assn.** told members.

Speaking at the group's annual election dinner, **Becker**, assistant officer manager, **Erie Brewing Co.**, predicted increased use of such programs especially in the metalworking industries. He pointed out that the results would be "quite a savings in a plant or a group of plants controlled by one purchasing department."

"This program," **Becker** said, "strives for greater evaluation and analysis of the job potential and the purchase of needed material in the most economical manner."

sales manager for plastics, **Dow Chemical Co.**, New York City, has been appointed commercial manager and director, **Dow-Quinosa, S.A.**, Bilbao, Spain. He is succeeded by **Guy W. DeKuiper**.

Parnell J. Porter has joined **American Welding and Mfg. Co.**, Warren, Ohio, as manager of sales for the **Industrial Products Div.** He was with **Taylor Wharton Iron & Steel Co.** and **Plasteel Products Corp.**

Richard L. Hoff and **Marcus T. Reynolds** have been assigned the newly created posts of northeast and mid-Atlantic regional pulp sales managers, respectively, **Riegel Paper Corp.**, New York, N. Y.

Robert L. Ryan has moved up to sales manager, **Industrial Equipment Div., Lincoln Floor Machinery Co.** and **Wilshire Power Sweeper Co.**, divisions of **American-Lincoln Corp.**, Toledo, Ohio.

Douglas G. Lytle has been promoted Cleveland district sales manager, **Equipment Sales Div., Raybestos-Manhattan, Inc.**, Cleveland.

Raymond W. Clugh has joined **United States Envelope Co.**, Springfield, Mass. as manager, New York sales. He was formerly with **Scott Paper Co.**

Kenneth A. Jones was given the newly created post of Midwestern sales manager, **Faultless Caster Corp.**, Evansville, Ind. He will be headquartered in Chicago.

William J. Koness has been appointed manager of the De-

troit sales district of **Taylor Fibre Co.**, Norristown, Pa.

Herbert W. Taylor was named manager of the resin sales section, surface coatings and plastics chemicals, **Oronite Div., California Chemical Co.**, a subsidiary of **Standard Oil Co. of Calif.**, San Francisco.

Christian J. Porzenheim has been made sales manager, **Industrial Sales Div., Purolator Products, Inc.**, Rahway, N. J.

Stephen A. Fronck has been elevated to product sales manager of silicon steels, **Crucible Steel Co. of America**, Pittsburgh.

Looking For Savings? Then Read...



Lockheed F-104A Starfighter with aluminum surfaces protected by Iridite 14-2.

How IRIDITE® Helps Lockheed Cut Aluminum Finishing Costs

Nine years ago, Lockheed switched from anodizing to Iridite chromate conversion coatings. That year, they saved over \$40,000 in materials and manpower.

Today, Lockheed is still saving money with Iridite 14-2. Here's how:

Process time is reduced from 45 minutes to a maximum of only 5 minutes. Three times as

much work is processed in a single run. Easy-to-load baskets, replacing costly anodizing racks, save \$15,000 per year. Expensive electrical equipment is eliminated because Iridite is a simple chemical dip.

Moreover, Iridite 14-2 gives improved corrosion resistance, easily meeting MIL-C-5541, and provides excellent paint adhesion.

More than likely, Iridite can save you money and give you better finishing results than your present method. Discuss it with your Allied Field Representative. Or, write for literature.



Allied Research Products, Inc.

Chemical and Electrochemical Processes, Anodes, Rectifiers, Equipment and Supplies for Metal Finishing

4004-06 EAST MONUMENT STREET • BALTIMORE 5, MARYLAND
BRANCH PLANT: 400 MIDLAND AVENUE • DETROIT 3, MICHIGAN
West Coast Licensees for Process Chemicals: L. H. Butcher Co. • European Agent: Sture Granberger, Storgatan 10, Stockholm, Sweden

IRIDITE®
Chromates

IRILAC®
Coatings

ISOBRITE®
Brighteners

ARP®
Supplies

WAGNER®
Equipment

Product Perspective

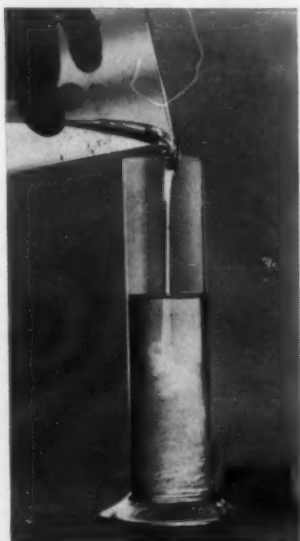
ADD THESE 13 MATERIALS to your roster of new production tools now available:

- **High nickel, chromium-molybdenum hot-work steel—Firex Special—** offers high resistance to bursting strains and erosion from mold washes. Forging may be done in the range from 1950F to 1850F and it hardens in air from 1675F with only a minimum of distortion. *Darwin & Milner, Inc., Cleveland, Ohio.*

- **Solvent resistant silicone fluids** may be used as nonaqueous antifoams, antistatic agents, and base stocks for solvent resistant greases and coatings. Dielectric constants of NS (nitrile silicone) fluids range approximately from 3 to 20 at 60 cycles—compared to standard silicones which range from 2.5 to 3.0. Introductory prices are \$11 to \$16/lb. *General Electric, Waterford, N.Y.*

- **Structural thermosetting film adhesive** has unique curing properties for metal-to-metal bonding and metal honeycomb construction. Designated AF-110, 3M's new adhesive has minimum pressure requirements and thus eliminates need for expensive jigs. *Minnesota Mining & Mfg. Co., St. Paul, Minn.*

- **Machining plate steel** has relatively high-tensile strength, with a carbon content of .40-.50. Designed to bridge the gap between low-carbon free machining steel and alloy machining steels, Fremax 45 provides superior machineability, easy flame hardening and longer tool life. *United States Steel Corp., Pittsburgh, Pa.*



OIL RESISTS OIL in test designed to show solvent resistance of new silicone now available.

- **Butyl latex 80-21** is compatible with a wide range of resin and elastomer emulsions. The new material is especially suited for butyl tire cord dripping and its low permeability suggests uses in air-barrier and food-wrapping papers. *Enjay Chemical Co., New York, N.Y.*

- **Glass-epoxy laminate (Fireban 600)** combines self-extinguishing properties with high mechanical strength. Available in sheets approximately 37 in. x 49 in. and thicknesses of .010 in. to 2 in it can also be supplied with copper cladding (Fireban 600 E) for making printed circuits. *Taylor Fibre Co., Norristown, Pa.*

- **"Elvax" vinyl resins** impart toughness, flexibility, and adhesion to paraffin wax and other brittle, low molecular weight materials. Wax blends containing Elvax provide tough, glossy, nonflaking coatings on frozen food cartons and also exhibit strong adhesion to polyethylene, cellophane, waxed paper, and foil for label uses. Introductory truckload price is 55¢/lb., but substantial reductions are expected. *Du Pont Co., Inc., Wilmington, Del.*

- **Aluminum alloy controls shrinkage in the manufacture of patterns and matchplates** by minimizing variations. Known as PT Aluminum Pattern Metal, the alloy improves machineability and finishing operations and leads to more consistent foundry performance. *American Smelting & Refining Co., New York.*

- **Orlon-fiber molding compound** is supplied in nodular form especially suited for automatic preforming and molding equipment. Material RX 745 offers a combination of mechanical stability with good insulating properties. Tensile strength is 7,000 and heat distortion temperature 270F. *Rogers Corp., Rogers, Conn.*

- **Glycol-ether solvents** offer low toxicity and excellent coupling and solvent properties. Low toxicity makes Ucar LM and 2LM attractive to the food and cosmetic industries for use as solvents, humectants, and preservatives. Prices of the solvents range from 18.5¢/lb. to 24.5¢/lb., depending on quantity. *Union Carbide Chemicals Co., New York.*

- **Resin Latex (X-Link 2833)** is capable of crosslinking without the addition of thermosetting resins, eliminating problems of stability, odor, and high-curing temperatures usually associated with combinations of thermosetting and thermoplastic resins. Promising application areas include nonwoven fabrics, adhesives, paper saturation, and organosol tie coats. *National Starch & Chemical Corp., New York.*

- **Nylon molding compound** is said to be more weather-resistant than conventional weather-proof nylons. Nylatron GS-21 has a tensile strength of 11,350 and contains absorption ingredients which inhibit penetration of ultraviolet light to prevent embrittlement. *Polymer Corp., Reading, Pa.*

- **Urea conforming to strict manufacturing specifications** is said to be useful in sensitive applications where crystal urea had previously been required. Vulcan process, using Stora-Vulcan evaporator, gives the "Solar Urea" easy-to-handle advantages of the free-flowing prilled form. Turbidity, biuret and ash content are held to a low content to give a clear, cloudless solution for making urea-formaldehyde resins. *Sohio Chemical Co., Lima, Ohio.*

Here's your weekly guide to . . .

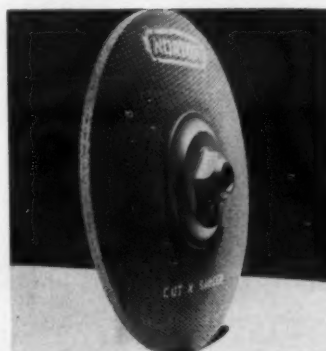


Correction Tape

Blocks Out Typing Errors

Tape, coated with a white clay and talcum mixture, corrects typing errors by blocking out incorrectly typed letters. A typist tears off a strip of the tape, positions it over the error, and restrikes the same letter, "whiting" it out. This prepares the paper for the correction to be typed in.

Price: 89¢. **Delivery:** immediate.
Joseph Dixon Crucible Co., 167 Wayne St., Jersey City 3, N. J. (PW, 7/10/61) SIC #3999



Grinding Wheel

Has Saucer Shape

Reinforced grinding wheel for weld grinding and light snagging is saucer-shaped, permitting it to be held at a close angle to the work piece. It is permanently attached to a throwaway mount, which permits installation on the grinder in seconds without the need for a separate mounting pad.

Price: \$6.39 (7 in.) and \$8.62 (9 in.).
Delivery: immediate (after July 15).
Norton Co., Worcester 6, Mass. (PW, 7/10/61) SIC #3291



Welding Outfit

Performs Cutting Jobs

Welding outfit has a torch which takes up to a size 22 tip (#24 drill orifice) and has silicone "O" ring seals for quick change of tip assemblies. A cutting attachment cuts up to 6 in. and has a preheat valve that acts as a positive oxygen shut-off. Two regulators with 5.9-sq. in. diaphragms, extra welding tips, hose, lighter, and goggles are also included.

Price: \$103. **Delivery:** immediate.
Harris Calorific Co., 5501 Cass Ave., Cleveland. (PW, 7/10/61) SIC #3548

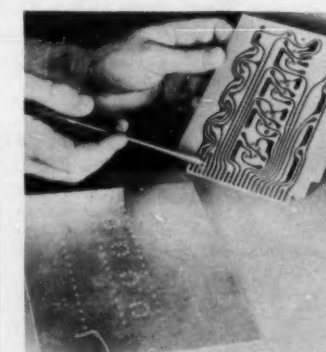


Hand Cleaner

Removes Paint, Grease

Waterless hand cleaner is a cream-like material which removes materials such as grease, carbon, and paint. The container can be inserted in a special single-stroke dispenser with a plunger action. Each gallon can contains enough cleaner for about 1,000 uses.

Price: \$3.75/gal. (dispenser, \$6). **Delivery:** immediate.
G. E. Smith, Inc., Industrial Div., 4 W. Manilla Ave., Pittsburgh 20, Pa. (PW, 7/10/61) SIC #2841



Copper-Clad Epoxy Paper

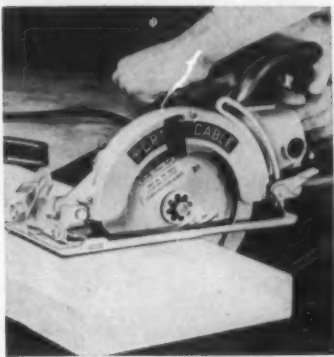
Has Improved Properties

Copper-clad epoxy paper laminate for printed circuits has better electrical properties than XXXP grades. In 1/16-in. thick specimens average peel strength is 9 lb. to 10 lb./in. with 1-oz. copper-foil cladding. Dip solder resistance at 500 F is 15 to 20 sec.

Price: \$1.55/sq. ft. (maximum quantities in 1/16-in. thickness with 1-oz. copper on one side). **Delivery:** approx. 3 wk.
National Vulcanized Fibre Co., Wilmington, Del. (PW, 7/10/61) SIC #3679

New Products

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.



Torque Saw

Handles Heavy Work

Torque saw (7½-in. high) has a specially designed worm and worm gear for handling extreme loads. Micro-adjustable clutch gives any degree of slip needed for safety; blade also may be locked without slip. The lightweight, die cast aluminum housing has a "no drag" telescoping guard.

Price: \$125. **Delivery:** immediate.
Porter-Cable Machine Co., Syracuse 1,
N. Y. (PW, 7/10/61) SIC #3553



Disposable Shop Towel

Lasts Through Multiple Uses

Paper shop towel is a disposable item that lasts through multiple uses. It is lint free and has high tensile strength and quick absorbency. Saturated with solvent, it may be used to clean machine tools and is useful to pick up chips and shavings. The towels are supplied in packs of 50 with a quarter-fold and unfold to 13 in. x 15 in.

Price: approx. 1¢ each. **Delivery:** immediate.

Kimberly-Clark Corp., Neenah, Wis.
(PW, 7/10/61) SIC #2621



Binder

Holds Business Cards

Six-ring, vinyl binder for business cards has 23 plastic pages with alphabetical or numerical index tabs. Each page is 4¼ in. x 7¼ in. and has three separate compartments to hold cards back-to-back. Openings for inserting cards are angled to keep them from falling out.

Price: \$7.95. **Delivery:** immediate.
On-Gard Industries, 8817 S. May St.,
Chicago 20, Ill. (PW, 7/10/61) SIC #2782



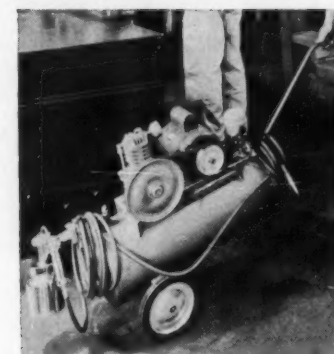
Hand Truck

Loads Drums Automatically

Truck with 1,000-lb. capacity engages drum or barrel with an adjustable chime hook with spring tension. Rocking the truck back onto the wheels slides the toes under the load and positions it. It handles containers 23 in. to 48 in. high, 18-in. or larger in dia.

Price: \$47.70 to \$59.70 (depending on running gear). **Delivery:** immediate.

Nutting Truck & Caster Co., 1201 W. Division St., Faribault, Minn. (PW, 7/10/61) SIC #3537

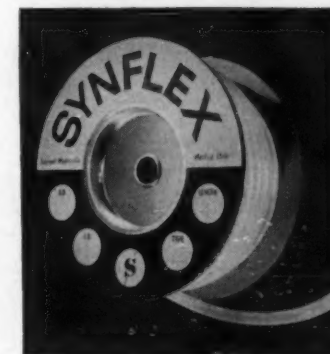


Portable Air Compressor

Delivers 1 Cfm. at 100 Psi.

Portable air compressor delivers 1 cfm. of air at 100 psi. Assembly includes a ½-hp., 115-v. a.c. motor, a pop safety valve, 10-gal. tank, pressure governing switch, and a 160-psi. pressure gage. The unit is 28 in. high, 38 in. long and is mounted on rubber-tired wheels.

Price: \$142.50. **Delivery:** 10 days.
Johnson Service Co., Compressor Div.,
Milwaukee 1, Wis. (PW, 7/10/61) SIC #3561



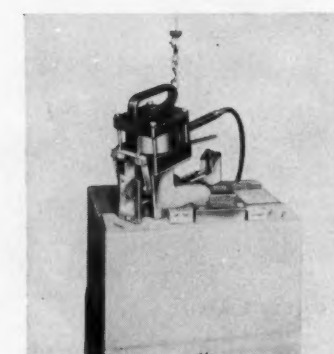
Polyethylene Tubing

Provides Flexible Connections

Polyethylene tubing is available with ¼-in., ⅜-in., and ½-in. O.D. for flexible connections in applications such as air, gas, water, and chemical lines. It is unaffected by most chemicals including concentrated sulfuric and hydrochloric acids.

Price: \$3.50 (¼ in. dia.), \$7 (⅜ in.), \$11.20 (½ in.), (100-ft. coil). **Delivery:** 1 wk.

Samuel Moore & Co., Synflex Products Div., Mantua, Ohio. (PW, 7/10/61) SIC #3079



Stapler

Fastens Triple-Wall Corrugated

Portable stapler delivers over half a ton of pressure with each stroke to fasten up to 1,100-lb. test double-wall or triple-wall corrugated. It attaches to any 60-psi. to 80-psi. air line and accommodates leg lengths from ⅞ in. to 1⅜ in. The tool may be used on fiberboard or corrugated tote boxes, telescope boxes, etc.

Price: \$457.50. **Delivery:** immediate.
Container Stapling Corp., 100 S. 27th St., P. O. Box 247, Herrin, Ill. (PW, 7/10/61) SIC #3569



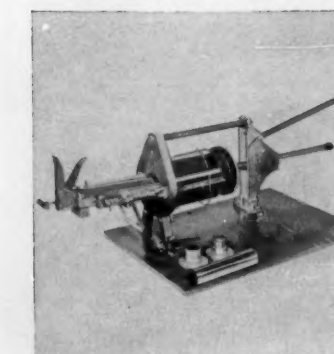
Pressure-Sensitive Label

Has Mylar Covering

Pressure-sensitive label is a matte material that can be written or typed on and then covered with an attached layer of clear Mylar for permanent protection. The labels are available in sizes from ⅝ in. x 1½ in. to 2 in. x 3¼ in. with colored borders for file purposes.

Price: \$1.25/100 (⅝ in. x 1½ in.). **Delivery:** 10 days.

Labelon Tape Co., 10 Chapin St., Canandaigua, N. Y. (PW, 7/10/61) SIC #2641

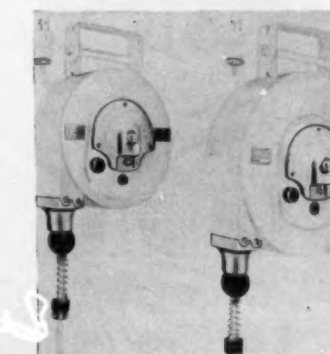


Caulking Gun Loader

Loads From 1-Gal. Cans

Portable unit loads caulking guns and cartridges in seconds with materials from 1-gal. cans. The piston's neoprene seal cleanly wipes container sides to eliminate waste. A mixing mount holds standard 1-gal. buckets for mixing of two-part thiokol materials, epoxies, and polysulfides. The unit also dispenses mastics, sealants, putties, adhesives, etc.

Price: \$136. **Delivery:** immediate.
Force-Flo, Inc., P. O. Box 2442, E. Cleveland. (PW, 7/10/61) SIC #3423



Electric Cord Reel

Provides Drop-Cord Lighting

Electric cord reel for industrial use provides out-of-the-way storage for wire used in drop-cord lighting. Reel comes in two sizes, one with a 20- or 25-ft. cord; the other, a 35- or 45-ft. cord. After the reel is mounted, the lead-in cable plugs into the nearest convenience outlet.

Price: from \$36.40. **Delivery:** immediate.
Daniel Woodhead Co., Dept. ECR, 15 N. Jefferson St., Chicago 6, Ill. (PW, 7/10/61) SIC #3643

New Products

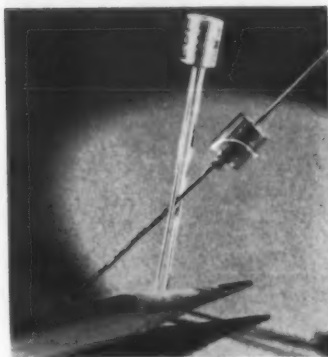


Foot Switch

Maintains Contact

Latched-type foot switch for contact operation of machines and process cycles has an auxiliary release pedal which catches when the foot pedal is depressed. To release the pedal, the auxiliary pedal must be depressed. The switch is available with either one normally open and one closed contact or with both normally closed or open.

Price: \$27.50 to \$37. **Delivery:** immediate.
General Electric Co., Schenectady 5,
N. Y. (PW, 7/10/61) SIC #3613



Rectifier

Eliminates Heat Sink

Silicon rectifiers rated at 1-amp. continuous duty do not require heat sinks because of specially designed case which provides necessary heat dissipation. Units have PIV ratings of from 200 v. to 1,000 v. and are available with parallel leads for use in printed circuit boards.

Price: 46¢ to \$2.48/each (depending on PIV and quantity). **Delivery:** 4 to 6 wk.

Electronic Devices, Inc., 50 Webster Ave., New Rochelle, N. Y. (PW, 7/10/61) SIC #3629

New technical advances in labeling...packaging...tagging

New-found answers to top management's questions are now bringing smiles to the faces of busy packaging, purchasing and sales promotion executives.

Questions like... "Why can't our products have labels as attractive and sales-compelling as those on best-selling packaged goods?"... "Why can't we get better display space for our products?"... "Isn't there another way to lower the high cost of paperwork?"... "Can't we get more work out of our costly tabulating equipment?"

All these questions and many more are now being answered in novel ways by Dennison...originator of more new labeling, tagging and packaging techniques than any other single source.

price-off, premium and other promotions. Our new fact folder tells the whole story... both prestige and promotional. Write for it today.

Increasing impulse buying with blister packaging

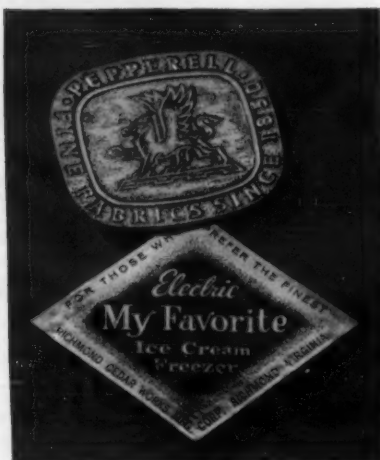
When self-selection items are too small to tag or label, two other alternatives face aggressive merchandisers: carding or blister packaging. Which is better?

Paul Buhl, assistant merchandise manager of Dennison's Resale Products Division, faced that decision within the past year. He chose blister packaging for the Dennison Glue-Point Dotter... now a best-seller in stationery stores and departments from coast to coast. This choice was made in spite of the fact that Dennison is also a leading supplier of merchandising cards to America's top companies.

Blister Packaging offers three advantages. 1. Retail merchandise buyers, responsible for maximum volume per square foot of counter space, prefer blister-packed items because they sell faster than carded merchandise. 2. Blister packs keep merchandise clean, enhance its appearance and motivate dominant display on counter, rack or pegboard. 3. They have the pick-up appeal that spurs impulse buying; yet they reduce pilferage to a minimum.

You pay nothing extra for Dennison's own successful retail experience with blister packs. You can be sure of unbiased recommendations because Dennison uses all kinds of packaging for its gift wrappings, crepe paper, diaper liners and more than 5,000 other packaged items sold at retail.

Dennison's blister packaging service is complete. It includes design, manufacture of both cards and blisters and contract assembly. You can choose all or any part of this start-to-finish service and be sure of maximum point-of-purchase impact per dollar. Our new fact folder tells you all you need to know about blister packaging. Write for it today.



New look of distinction in brand identification

Prestige-building, embossed foil labels on famous-brand, film-wrapped bed sheets are not surprising. But, when their "golden" gleam draws all eyes to ice cream freezers, you might ask, "What's going on here?"

Sales-minded label buyers can tell you. They'll tell you that prestige labeling is no longer the exclusive property of foods, cosmetics and other self-service packaged goods. They'll tell you that the economical elegance of Dennison PRES-a-PLY foil labels adds a profitable sales-plus to home appliances and other hard goods. They'll also tell you that Dennison's exclusive printing, embossing and die-cutting techniques can duplicate any effect you may have envied in packaged goods labels. Applied by finger-tip pressure to just about any surface, these eye-catchers have a tested record of lifting the value of non-packaged products far above price.

Less glamorous, but equally effective, Dennison PRES-a-PLY labels... automatically dispensed and applied... are helping all kinds of manufacturers score profitable point-of-purchase successes with



Pin-fed tags and labels automatically imprinted by tabulating equipment!

Owners of high-speed tabulating equipment have struck it rich. They're now reducing paperwork costs, increasing clerical efficiency and collecting extra dividends from data-processing investments by using Dennison tags and PRES-a-PLY labels as continuous print-out forms for Burroughs, Friden, IBM, Remington-Rand and other pin-fed data processing systems. This direct, automatic translation of information from punched cards or tape to tags and labels eliminates the extra cost of manual, typewriter, plate and stencil imprinting.

Dennison pin-fed PRES-a-PLY labels are now being used to save time and costs in posting payroll, sales and order data on record cards... in labeling file folders, bins and box ends... in production and inventory control systems. Because Dennison PRES-a-PLY labels adhere to just about all surfaces with finger-tip pressure, their use is virtually unlimited.

Dennison pin-fed continuous tags, automatically imprinted by tabulating equipment, are also being used to cut the costs and raise the efficiency of identification, production, inventory, packaging and shipping systems.

NEW FACT FOLDER

If you're looking for new ways to increase sales and reduce costs, this free fact folder will be a gold mine of information for you. It describes techniques and shows samples of tags, labels and other devices now being employed by America's most successful firms. For your free copy, write directly to Dennison Mfg. Co., Dept. U-291



Dennison

Helping you compete more effectively
FRAMINGHAM, MASSACHUSETTS

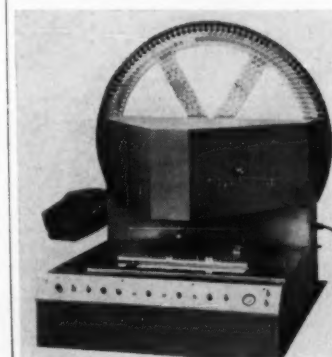


Cutting Machine

Makes 1,500 Cuts/Hr

Machine cuts tubing, extruded shapes, and bars—ferrous and non-ferrous—at 1,500 cuts/hr. It can be set for semi-automatic or fully automatic cycle cutting and has an air-pressure control to adjust wheel pressure for cutting feed ranges. The machine is powered by a 5-hp. motor and has an operating pressure range of 10 psi. to 100 psi. Wheel dia. is 14 in. and wheel speed is 3,000 rpm. **Price:** \$1,887. **Delivery:** 45 days.

Beaver Pipe Tools, Inc., Warren, Ohio. (PW, 7/10/61) SIC #3541



Program Drill

Drills Circuit Boards

Electric drill can be programmed by unskilled personnel to drill automatically any preselected pattern of up to 200 holes through one or more printed circuit boards of up to 8 in. x 12 in. The unit is controlled by paired stoppins set in a revolving control disk which permits a complete program change in minutes. The drill, with pneumatically operated spindle, works off 40 psi. and 110 v. a.c.

Price: \$6,000. **Delivery:** 90 days.

Develop-Amatic Engineering, 923 Industrial Ave., Palo Alto, Calif. (PW, 7/10/61) SIC #3541



Socket Set

Provides Many Combinations

Set has seven basic driver parts, which provide for a wide range of combinations, and eleven socket sizes ranging from 3/8 in. to 1 in. (by sixteenths). Driver parts include a T-bar, flex head, ratchet head, grip, plug connector, and 5-in. and 8-in. extensions. The set is packaged in a 2-in. x 4 1/2-in. x 18-in. metal case.

Price: \$30. Delivery: 3 wk.

J. H. Williams & Co., 400 Vulcan St., Buffalo 7, N. Y. (PW, 7/10/61)

SIC #3423



Torque Wrench

Retains Test Reading

Torque wrench for testing maximum torque at which a nut, bolt, or screw fails, has pointer which remains at indicated peak reading. It comes in 16 sizes with capacities of from 0 to 50 in./lb. to 0 to 3,600 in./lb. and from 0 to 25 ft./lb. to 0 to 600 ft./lb. A click and impulse in the wrench signals a failure.

Price: \$41 to \$144.17. Delivery: immediate.

P. A. Sturtevant Co., Addison, Ill. (PW, 7/10/61)

SIC #3821



Safety Glasses

Have Strong Hinge

Safety glasses have a seven-barrel hinge for greater strength and are fastened with a temple screw assembly. The lens groove's high back bevel holds lenses securely and resists impact. Frames are available in pink crystal, smoke, or mahogany and are available with side shields.

Price: \$2.60 to \$4.85. Delivery: immediate.

American Optical Co., Southbridge, Mass. (PW, 7/10/61)

SIC #3842



Plier

Cuts on Diagonal

Plier is midget diagonal cutter that has a "full flush maximum" cut specifically designed for shaving solder and cutting extended leads. The hand tool has a slim head that allows its use for work in confined areas around circuit boards. It comes with cushion grips and is available with or without spring.

Price: \$4.85. Delivery: 1 wk.

R. N. Hunter Sales Co., 9851 Albutus Ave., Santa Fe Springs, Calif. (PW, 7/10/61)

SIC #3423



Chemical Package

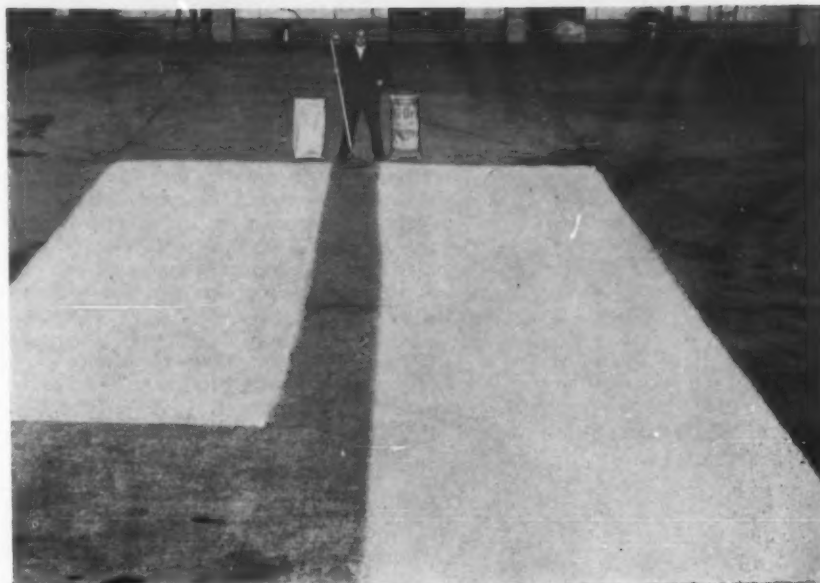
Becomes Cold Pack

Plastic package of chemicals provides 20 F within two sec. after being activated by a squeezing pressure which breaks an inner liner. It is useful for first-aid and other emergency applications and maintains the 20 F temperature for about 30 minutes. The package is 6 in. x 9 in. and flexible so that it molds itself to the point of application.

Price: approx. 90¢. Delivery: immediate.

International Latex Corp., 350 Fifth Ave., New York 1, N. Y. (PW, 7/10/61)

SIC #3842



ABSORBENT on the right covers 33% more area than material on left. Since price-per-pound is same for both, switch to high-volume absorbent cut costs one-third.

Buying Floor Absorbents by Volume Can Cut Costs, Manufacturer Advises

New York—Buying industrial floor absorbents by volume instead of weight can cut yearly costs as much as 50%, according to the Waverly Petroleum Products Co., a major absorbent supplier.

Most floor absorbents are marketed for general purpose use—soaking up oil, grease, water, ink and other liquids to eliminate slippery footing, preserve floors and improve appearances. There are about 25 different absorbents on the market today, almost all of them made from calcined earth.

Absorbents are purchased by weight, but used by volume—the man in the shop spreads enough around to cover the floor or make a dike around a dripping machine. But some brands are more compact than others and 50 lb. of one material may cover more area than 60 lb. of another. Prices range from \$50 to \$90 a ton.

To get the best value, the user must equate price with volume and absorbency. The chart below converts price per ton to price per cubic ft. For example: If you are paying \$65 a ton for absorbent, and it weighs 26 lb./cu. ft., the chart shows the absorbent is costing 84¢ cu. ft. to find out how many lb./cu. ft. an absorbent weighs, make a box 1 ft. square and 1 ft. high, fill it level and weigh it.

As a rule of thumb, says Waverly's

sales manager, E. W. Coogan, simply glance at 50-lb. bags of various absorbents and note which is the largest. This method, of course, is only effective if the bags are equally full.

To test absorbency, put a cupful of water in each of two bowls and fill two large paper cups with absorbent. Add each absorbent to the water slowly, pausing for one or two minutes. The absorbent that picks up the cupful of water with the least amount of material is the best bet.

Since calcined fuller's earth contains voids, the lightest material usually has the greatest absorbency—the more voids, the lighter the weight and hence the more moisture it can pick up.

After you have completed the water test, pick up a handful of the wet absorbent and knead it. If it works easily into paste, it will probably behave the same way when trampled on the plant floor. The material probably has been under calcined in the kiln treatment—i.e., it still has high natural water content which gives it a low absorptivity.

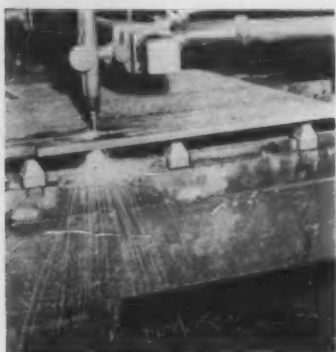
A final test, recommends Waverly, is purely visual. Note whether some of the granules are blackened. Blackening indicates that particles are overcalcined, making the material more dense and closing absorptive cells.

How to Figure Costs of Floor Absorbents per Cubic Foot*

	Price per Ton								
(Lb./Cu.Ft.)	\$85.00	\$80.00	\$75.00	\$70.00	\$65.00	\$60.00	\$55.00	\$50.00	\$45.00
24	1.02	.96	.90	.84	.77	.72	.66	.60	.54
25	1.06	1.00	.93	.87	.81	.75	.68	.62	.56
26	1.10	1.04	.98	.92	.84	.78	.71	.65	.58
27	1.14	1.07	1.01	.95	.87	.82	.74	.67	.60
28	1.19	1.12	1.05	.98	.91	.84	.77	.70	.63
29	1.23	1.16	1.09	1.01	.94	.87	.79	.72	.65
30	1.27	1.20	1.12	1.05	.97	.90	.82	.75	.67
31	1.31	1.24	1.16	1.08	1.09	.93	.85	.77	.69
32	1.36	1.28	1.20	1.12	1.04	.96	.88	.80	.72
33	1.40	1.32	1.23	1.15	1.07	.99	.90	.82	.74
34	1.44	1.36	1.27	1.19	1.10	1.02	.93	.85	.76
35	1.49	1.40	1.31	1.22	1.14	1.05	.96	.87	.78
36	1.53	1.44	1.35	1.26	1.17	1.08	.99	.90	.81
37	1.57	1.48	1.38	1.29	1.20	1.11	1.01	.92	.83
38	1.61	1.52	1.42	1.33	1.23	1.14	1.04	.95	.85
39	1.65	1.56	1.46	1.36	1.26	1.17	1.07	.97	.87
40	1.70	1.60	1.50	1.40	1.30	1.20	1.10	1.00	.90
41	1.74	1.64	1.54	1.44	1.33	1.23	1.13	1.02	.92
42	1.78	1.68	1.57	1.47	1.36	1.26	1.15	1.05	.94

* To use chart, locate "Price per Ton" on top, weight in "Lb./Cu. Ft." on left side—then follow both columns until they intersect. For example: material selling for \$75 ton and weighing 25 lb./cu. ft., costs 93¢ cu. ft.

New Products



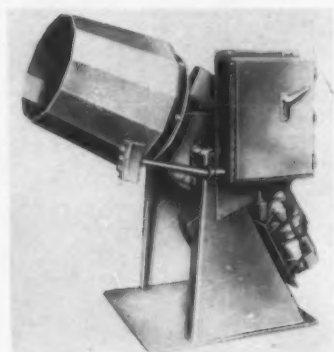
Rising Blocks

Prevent Flame-Cutting Damage

Rising blocks are cast-iron units that fit onto cross supports of flame-cutting tables, holding steel plate clear of the table to prevent damage to the table bed. Blocks may be arranged according to the pattern of the cut to prevent distortion and fall-away of the finished piece. Standard slot sizes are $\frac{1}{16}$ in., $\frac{3}{16}$ in., and $\frac{1}{4}$ in.

Price: 50¢/each. **Delivery:** 2 to 3 wk.

Browne & Sharpe Mfg. Co., 235 Promenade St., Providence, R. I. (PW, 7/10/61) SIC #3499



Barrel Finishing Machine

Takes 815-lb. Load

Barrel finishing machine, provided with power tilting, can be fitted with a full range of barrels of different sizes, shapes, and materials including a wooden barrel, cast iron barrel, bottle barrel, and others. Depending on the barrel, work load capacities range from 500 lb. to 815 lb. A similar unit is available with a hydraulic hand pump.

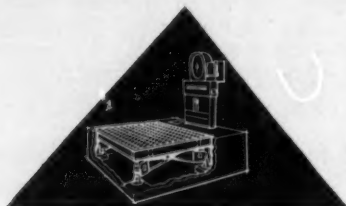
Price: \$1,507. **Delivery:** approx. 2 wk.

Baird Machine Co., 1700 Stratford Ave., Stratford, Conn. (PW, 7/10/61) SIC #3629



...CUT COSTS AND
SAVE TIME
WHEN WEIGHING
MATERIALS ON
POWER OR
HAND TRUCKS

FAIRBANKS-MORSE WAREHOUSE SCALES



Self-Contained Scales

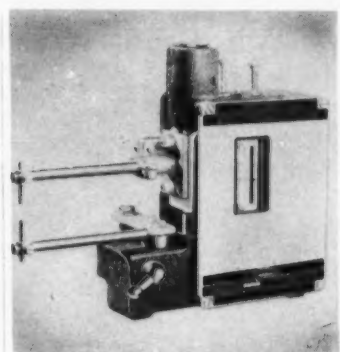
- For general use in factories, warehouses, shipping rooms, foundries, paper mills and other industrial applications.
- Thirty different models for your special requirements... with direct-reading "Floaxial" Dials, with or without "Printomatic" weight recorder or with Double Beam. Capacities from 600 lbs. to 3200 lbs.
- All models feature the F-M Type "S" Lever System—a suspension system that swings parallel to the direction of traffic... thus protects scientifically ground pivots and bearings... results in accuracy that lasts for longer periods of time.

Built-In Floor Scales

- Especially designed for heavy-duty use in metal working plants, steel mills, paper mills, textile mills, mines... and for general factory use.
- Available for installation in a pit or suspended from the floor, with direct-reading "Floaxial" Cabinet Dial, with or without "Printomatic" weight recorder, or Double Beam. 20 different models with capacities up to 10 tons.
- All models feature the F-M Type "S" Lever System for complete accuracy over longer periods of time.

For complete information on any or all Self-Contained and Built-in Scales, write: **C. G. Gehring, Marketing Director, Scale Division; Fairbanks, Morse & Co., 100 Electra Lane, East Station; Yonkers, New York.**

FAIRBANKS MORSE
A MAJOR INDUSTRIAL COMPONENT OF
FAIRBANKS WHITNEY



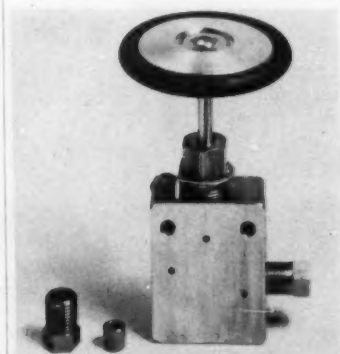
Welding Head

Welds Subminiature Parts

Unit is designed for welding subminiature electrical and mechanical parts. Horns projecting outward from the housing to hold upper and lower electrodes, provide maximum visibility and work-handling freedom. The welding head's forging force range is 1 lb. to 10 lb. Electrode dia. is $\frac{1}{16}$ in. and maximum stroke is $\frac{3}{4}$ in. Weld is made by depressing a foot treadle which lowers the upper electrode.

Price: \$134. **Delivery:** immediate.

Raytheon Co., Commercial Apparatus & Systems Div., 225 Crescent St., Waltham 54, Mass. (PW, 7/10/61) SIC #3623



High Pressure Valve

Has Backlash Valve

Valve with nonrotating, floating stem as standard design has a backlash adjustment for stem which eliminates backlash while in service. Units are available for up to 60,000-lb. pressure in a range of tubing sizes. Valve types available include: straight through, angle, metering, removable seat, three-way (one to pressure), three-way (two to pressure), and three-way two-stem.

Price: \$18.25 to \$51.50 (30,000-lb. series). **Delivery:** immediate to 2 wk.

Controlled Pressures Co., Box 402, Red Hill, Pa. (PW, 7/10/61) SIC #3494

Product Briefs

Polyethylene bottle for hydrofluoric acid has graduations on closure and bottle to let the user adjust the rate of flow from a single drop to a steady controlled stream. A slip-on cover protects against contamination or leakage. The 1-lb. container is mounted in a reinforcing cardboard sleeve to provide a firm grip. *J. T. Baker Chemical Co., Phillipsburg, N.J.*

Label-making machine produces labels from 1 in. x 1 in. to 5 in. x 15 in. without adjustment. It is a combination printing and straight die-cutting machine equipped to produce pressure-sensitive bumper stickers, signs, labels, etc. from a range of stock papers. *Sohn Mfg. Co., Elkhart Lake, Wis.*

Pressure-sensitive labels are available with any wording, trademark, or illustration, in any size or shape in 3-mil aluminum foil or 6-mil vinyl, mounted on cardboard backing. The aluminum resists solvents, oil and dirt.

National Tube Div. Enters Structural Steel Market With Hollow Tubing Line

Pittsburgh—U.S. Steel's National Tube Div. has entered the structural steel market with a line of square and rectangular hollow tubing that it says is competitive with "solid structural members."

The lighter weight of the tubing permits construction of buildings 30% to 40% lighter than those using conventional structural sections but with equal strength, the company said. Other advantages: less freight and handling cost, and a reduction in erection and maintenance costs.

The hot-rolled carbon steel tubing is initially available in sizes from 1 in. sq. to 8 in. sq. and from 3- x 2-in. rectangles to 6- x 4-in. Larger sizes will be available later. Initial production is being hot-rolled from ASTM A7 (33,000 psi. yield strength) and ASTM A36 (36,000 psi). Finishes which will be supplied on request include: oil-coated with water soluble light oil, galvanized, and grit blasted and prime coated.

The tubing, which can be fabricated by most conventional methods, has good ductility, bends well, and easily flattens, cuts, punches, flares, and flanges. Common welding techniques can be used with it.

The hollow structural tubing is being manufactured in a continuous operation on National tube's regular pipe mills at the Fairless, Pa., Works and the National Works in McKeesport, Pa., and is being stocked in 36- to 42-ft. lengths.

New Heat-Treating Unit For Giddings & Lewis

Fond du Lac, Wis.—Giddings & Lewis Machine Tool Co. is installing new heat-treating facilities at its Davis Div. that it says will cut delivery times by as much as three weeks.

In addition, enlarged facilities will permit case hardening of any tool in its line, regardless of configuration, the company said.

The vinyl is unaffected by oil, moisture, abrasion, or weather. *W. H. Brady Co., 727 W. Glendale Ave., Milwaukee 9, Wis.*

Motion picture sound projector is a self-contained unit with a rear-projection, 9-in. x 12-in. screen. The machine uses 8mm. film and sets up in seconds for continuous projection that is clear even in lighted rooms. *Vicom, Inc., 70 Aberthaw Rd., Rochester 10, N.Y.*

Light fixture lensware is designed in hexagonal pyramids which permit the light to enter at all angles from the source. It diffuses and refracts the light onto the work surface with a low brightness. It comes in up to 24-in. widths in polystyrene or acrylic sheets. *Rotuba Extruders, Inc., 437 88th St., Brooklyn 9, N.Y.*

Refractories of fused mullite are available in a wide range of

shapes for use as batts, saggars, and kiln furniture. Material has excellent thermal shock and good corrosion resistance, and retains high-strength properties up to its melting point (3340 F). *Norton Co., Worcester 6, Mass.*

Strip of individual tabs of anodized aluminum has pressure-sensitive backing for simple application of serial numbers to products. Labels detach easily and are custom-ordered, according to color, lettering, etc. *Anodyne, Inc., 1270 N.W. 165th St., N. Miami Beach 69, Fla.*

Adhesive for application of windows to envelopes permits

high-speed operation of equipment. It does not body-up or become stringy or excessively tacky on aging in the drum, or under continued and interrupted machine operation. Its resistance to humidity prevents wrinkling or puckering of envelopes. *National Starch & Chemical Corp., 750 Third Ave., New York 17, N.Y.*

Mixing head for polyurethane foam delivers up to six material streams into the mixing chamber. It is rated at 100 lb./min. and enables pouring of large foam masses on shot-type, production installations. *Martin Sweets Co., Inc., 114 S. First St., Louisville 2, Ky.*



DIAGNOSIS: NON-CONTAINER-OSIS

CURE: AMERICAN AIRLINES PAUL BUNYAN BOX

American Airlines has the answer to your package problems—its exclusive Paul Bunyan Box.

Capacity? American has it—170 tons-worth in mobile all-aluminum Bunyan Boxes each day. Locked securely inside, your shipment is moved swiftly, efficiently—protected from handling and weather damage, free from pilferage. More than 113 cubic feet gives each box plenty of space for multi-package shipments—up to 2 tons. At your option, you can pack a Bunyan Box in your own factory or warehouse. No special equipment needed because it's mounted on its own roller-bearing

casters and can be positioned by manpower alone.

Creative service ideas like the Paul Bunyan Box are only one reason why more shippers move more freight on American than on any other airline in America. Another reason is service from AIRfreight professionals that guarantees your traffic expert handling.

When you ship by air, ship with the professionals—call American AIRfreight.

AMERICAN AIRLINES
America's Leading Cargo Airline

Plastic Parts Defects

Air Locks—Depressions on the surface of a molded part caused by air trapped between the surface of the mold and the plastics material.

Bubble—A globule of air or other gas trapped within the plastic.

Crazing—Fine cracks which may extend in a network either on or under the surface of a part or through the plastic.

Discoloration—Any change from the color initially pos-

sessed by a plastic, or a lack of uniformity in color where uniformity is desired.

Dry Spot—An area of incomplete surface film of laminated plastics.

Mold Marks—Marks on a molded plastic part that result from mold defects. They may also be produced on a part by the mold's parting line where the sections join in closing.

Pit—A small hole in the surface of a molded part.

Product News in Brief

Low-Cost Engine

Toledo—Continental Engineering & Aviation Corp. has developed a low-cost turbine engine for small aircraft and helicopters. Selling for \$17,000, it is said to be comparable with larger engines costing \$50,000 to \$70,000.

The 500-hp. engine, 45 in. long and weighing 210 lb., is expected to go into production at the Toledo plant in 1963. Continental, in the meantime, will

launch a testing program of experimental flights and seek government approval of the engine.

Yoder Unveils Welder

Cleveland—Yoder Co. announced development of a new vapor-cooled electric resistance welder which increases pipe production by as much as 60% over conventional equipment.

The equipment's new toroidal transformer increases amperes-

to-weld and decreases power input requirements and products 12-gage tube, formerly produced at 50 fpm., at 80 fpm. The transformer is adaptable to most Yoder tube welders and many welders of other makes and can handle virtually any size of tubing.

The company explains that for about \$15,000—the cost of a new welding head—a user can convert a 125-KVA unit, use the same generating equipment, and get most of the production which he could get by investing \$50,000 in a new 200-KVA mill.

Axle Gives 15 Speeds

Cleveland—Eaton Mfg. Co. has developed a three-speed tandem axle which gives a choice of 15 forward speeds when teamed up with a five-speed transmission. The axle is a combination of two 2-speed axles coupled and shafted together.

Better adjustment to load and driving conditions are supplied by the three close gear steps said to permit high average speeds "more easily than with any other axle on the market." The shifting control knob has a three-position switch for low, intermediate, and high. A driver shifting from one range to another momentarily releases pressure on the accelerator pedal.

The axle can be used with a companion transmission developed by Eaton's Fuller Transmission Div., or with a variety of others having compatible ratios.

TV Camera Sells for \$350

E. Bridgeford, Eng.—Nottingham Electronic Valve Co. is producing a closed circuit television camera which is priced in Britain at about \$350, without lenses.

A coaxial cable running from the camera's output socket to a receiver's serial socket ties it in with any standard receiving unit. Normal transmission range is about 300 yd. but boosters can extend it to four or five miles.

The camera comes in a steel case and measures 11½ in. x 5½ in. x 6¾ in. With special housings it can be used continually out of doors, under water, etc. Optional equipment includes a unit for remote operation of camera controls, and a controller to mix and switch the outputs of more than one camera.

Where Can I Buy

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this Purchasing Week service at any time.

While you are answering our reader's request, would you also send us a carbon copy of your answer?

"We would appreciate receiving information about the manufacture of a farm-type jack—either hydraulic or mechanical."

H. C. Hurdle, P. A.
Moorman Mfg. Co.
1000 North 30th St.
Quincy, Ill.



TO HELP LOWER YOUR SHIPPING COSTS:

A Paper "Sandwich" with Steel-like Fibers To Wrap Your Product In

That's how we manufacture tough, moistureproof Sisalkraft papers for product protection during shipment and in storage. This type of wrap provides complete protection against damage from water, dirt or rough handling ... and does so at the lowest possible cost.

Those steel-strong fibers go between two sheets of processed kraft paper—the whole "sandwich" being bonded together with a waterproof adhesive.

As a protective wrap for many products, Sisalkraft papers meet a high standard of protection without the money-wasting cost of overprotection.

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reinforced paper, foil, plastics and other products for construction, industrial packaging and agriculture

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Answers to Strategy Games on Pages 14, 15

Answer to Problem I

Clem should bar Willie from the annual family turkey shoot, since this is the safest move for him to make. At the same time, Willie should delay buying the rival bourbon distillery until a more favorable time.

Here is how the matrix looks:

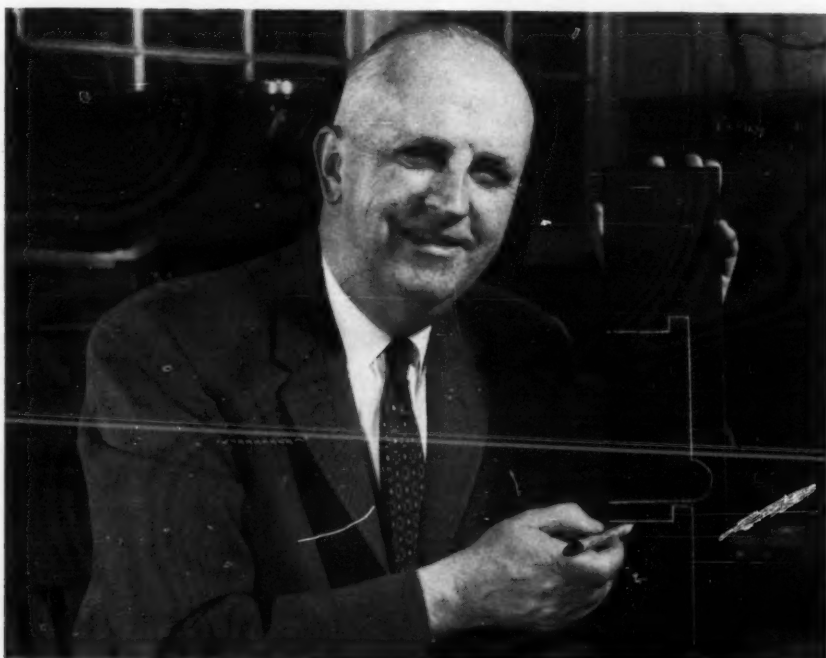
	WILLIE BUYS RIVAL	WILLIE DOESN'T BUY RIVAL	
CLEM BARS WILLIE	+5	+2	2*
CLEM DOESN'T BAR WILLIE	-10	0	-10
	5	2*	

Answer to Problem II

The Van Jones group should play the conservative strategy and start their price war, but expect to share control with the Smythes. The Smythes will start their strike as their best hope of getting some say in the management of Thumping Sump.

Here is what the payoff box looks like:

	SMYTHES CAUSE STRIKE	SMYTHES DON'T STRIKE	
VAN JONES STARTS PRICE WAR	+2	+5	+2*
VAN JONES DOESN'T START PRICE WAR	+1	0	0
	+2*	+5	



Dark blue color identifies A.I.S.I. Type 01 Oil Hardening Tool Steel, right up to heat treatment.

A better buy in flat stock...

Brown & Sharpe "Ready-Mark" Flat Stock comes pre-colored at no extra cost

Brown & Sharpe puts an exclusive smooth blue finish on its Ready-Mark® Flat Stock that gives you three big advantages — costs nothing extra.

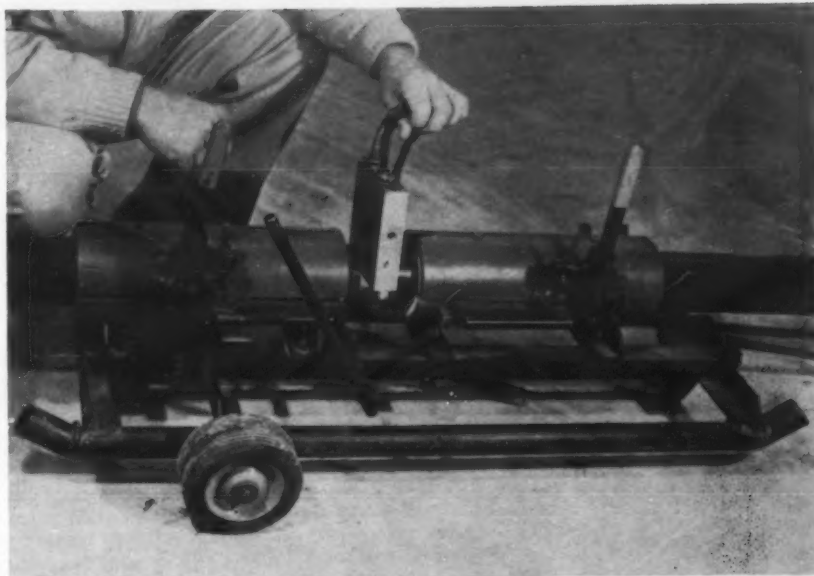
1. Saves layout time with a pre-colored surface that's all ready for scribing.
2. Prevents mixups in steel selection and hardening. Positively identified.

3. Protects the steel against rust without grease or any other coating.

Make the handling of steel easier for everybody, by asking your Brown & Sharpe distributor for "Ready Mark Blue". Brown & Sharpe Mfg. Co., Providence 1, Rhode Island.



Brown & Sharpe PRECISION CENTER



MACHINE JOINS PLASTIC PIPE by butt-fusion process. Heating plate is inserted between ends of sections to be connected where it heats the plastic to about 400F. Two pipes are then pressed together for about 20 sec. to form solid, permanent joint.

New Joining Method Seen Boosting Use Of Plastic Gas Line

Bartlesville, Okla.—A new "butt-fusion" process for heat-joining pipe ends in the field is expected to boost the use of plastic pipe in gas-gathering lines and similar applications.

Process equipment now available is capable of handling 1½-in. to 10-in. pipe on units ranging in size from those that plug into an electric outlet to those with generators for field use. A unit, for example, that can join pipe sizes of from 1½ in. to 4 in. is priced in the neighborhood of \$845.

How It Works

Basically, the process positions two pipe ends with an aluminum plate between and heats them to 400F. After about 30 sec., the plate is removed and the pipes, which are positioned in movable clamps, are butted and pressed together for about 20 sec. to cool. This completes the seal and the pipe is ready to be placed in the ditch.

Manufacturers from whom the equipment is now available include: Betzel Engineering Co., Oster Mfg. Co., and P&S Engineering Co.

Plastic heat deflector



Custom molded by CMPC

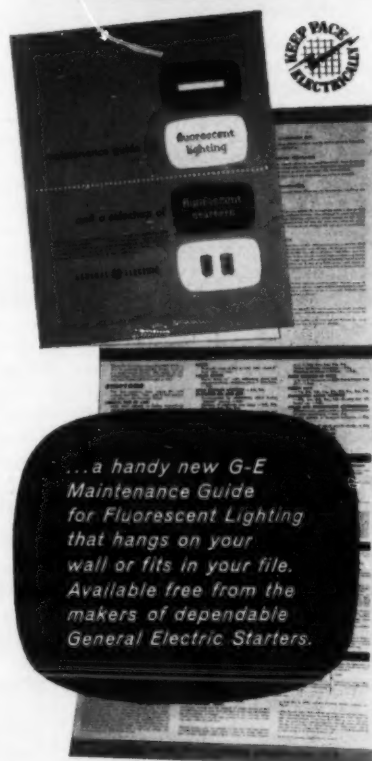
APPLICATION: 26-inch compression molded heat deflector for General Electric Mark 27 built-in range. Diverts oven heat from control panel—helps to insure longer, trouble-free life.

ADVANTAGES: The CMPC-molded phenolic part has a top continuous use temperature rating of 400 degrees F—comparable to many metals. In addition, because its satin-smooth finish is built-in, it requires no additional expensive machining.

Specify CMPC . . . custom plastic molders for over 40 years.

CMPC CHICAGO MOLDED PRODUCTS CORPORATION
1020-N N. KOLMAR AVE. CHICAGO 51, ILLINOIS

Reprinted by popular demand



...a handy new G-E Maintenance Guide for Fluorescent Lighting that hangs on your wall or fits in your file. Available free from the makers of dependable General Electric Starters.

- Lists trouble symptoms and remedies on easy-to-use chart.
- Helps you select properly matched components.

This new G-E guide is a handy reference chart for maintaining your present system . . . and more! It helps you to determine whether, and how, improvements can be made in the combination of lamps, starters, ballasts, etc., that you have now . . . to deliver more of the type of light you require, at lower cost. It brings up points you may not have realized before, that can make your job easier.

Ask your General Electric distributor for the new G-E Maintenance Guide for Fluorescent Lighting, or write General Electric Company, Wiring Device Dept., Providence 7, R. I.

GENERAL ELECTRIC

Braniff Finds Automated Purchasing Well Worth the Preliminary Pangs

Dallas—An automated purchasing system is easing Braniff International Airways' shift into the jet age, according to Thomas Ennis, assistant to the vice president-purchasing and stores.

Ennis, who was in charge of getting the project underway, says the system, called ATA Spec. 200, has enabled Braniff buyers to handle some 45,000 purchase orders for new jet plane equipment in a fraction of the time required by previous methods.

In addition, Braniff's inventory investment went up only \$700,000 in a seven-year period—in spite of the fact that in that time the number of items stocked shot up from 48,200 to 52,500. What's more, as a result of the change, inventory is expected to turn over twice this year—compared with a 1.26% turn-over five years ago, says Ennis.

"Our inventory is not as low yet as we would like to have it," says Ennis. "We know the system has the capacity to cut lead time to the bone, but we haven't gotten around to concentrating on that as yet."

System Is Sound

The important thing, Ennis points out, is that the basic construction of the system be sound, so that in the event the program falters, errors can be eliminated and new segments built in without impairing the system's stability.

The machine has posed a number of new problems, the solutions of which provide an interesting case study in how to live with computers and like it. For example:

At one point Braniff found that the stores department often issued quantities greater than the amount shown on the stock record. This happened when a requisition moved faster through the system than the receiving ticket. It snarled the stock record and created havoc in dollar balances.

"It took hours of work to unravel many of the errors. We had simply erred in not foreseeing and controlling this situation in our program. Now we are ready to straighten out the problems as they occur," Ennis points out.

Problems Overcome

Unreadable entries on handwritten requisitions from mechanics drawing items from the stores department caused errors in key punching. To solve this problem purchasing went to pre-punched master files and a bin-locating system. Now the mechanic orders from a catalog part number, and the stores clerk cuts the cards using the pre-punched master files.

"Like everyone else, we found that communications between all departments concerned with the system needed to be improved," Ennis says. "Every employee in purchasing and stores wanted to do the right thing. But when unforeseen variations in the program cropped up, it was difficult to educate everyone sufficiently to think each problem through and handle it."

He warns, however, that

people can no longer blindly follow the leader, expecting to learn later what the new program is all about. The P.A. and the storekeeper must know the computer program and its language from the beginning so they can get their ideas across to the programmer. According to Ennis, this is a new, serious, and added responsibility for every one concerned.

"Some companies have been trapped when actual experience showed they had not programmed what they thought they were," he adds. "Nothing really compensates for having the people who must use it adequately instructed in what is involved in computer programming. If it is turned over to other people, you cannot expect it to turn out right. Especially in a small company the people concerned have to know how to discuss what is needed in the same language used by the people who must convert it."

45,000 Orders

The airline issues some 45,000 purchase orders annually worth about \$13.5-million, not including \$10-million in fuel purchases. While EDP did not affect the number of personnel in purchasing and stores, at least half of the clerical employees are doing a different job as a result. And both departments are handling a greater volume of work more efficiently.

Employees first had to adjust to the inflexibility of the machine in the type of information it would accept. "It didn't take us long to learn that our margin for making errors was nil," Ennis comments. "However, this lack of error margin has helped our entire program, because our manually prepared work became more accurate."

The biggest hurdle Braniff found in the way of complete

'Cutie Pies'

Piqua, Ohio—Piqua City Commissioners were startled by a request for three "cutie pies" for the nuclear reactor plant under construction here.

A plant supervisor explained that since the beginnings of the atomic energy program some components have acquired "cover" names, and the radiation survey devices he wanted were known affectionately as "cutie pies".

mechanized buying and inventory control is parts numbers, or more exactly—lack of parts numbers.

Must Live by Numbers

"Computer inventory programs can only live on part numbers," Ennis points out. "As is true in all airline inventories, a considerable portion of Braniff's material does not have supplier part numbers. Then, too, a supplier's part number for a small motor, for example, is useless if it isn't complete enough to be used on a purchase order to obtain a specific size, design, and horsepower."

Another example, Ennis explains, is the raw metals business,

P.A.'s Optimistic About Holding the Price Line

(Continued from page 1)

ing to the survey note a large number of products where hints of increases and decreases had been received. As one P.A. put it: "This is the type of market where just about anything goes—depending on the product, the supplies, and to a great extent on the bargaining ability of the buyer."

• **Pricing techniques** — There appeared to be increasing reliance on unofficial price changes via discounts, freight absorption, etc. Thus, some 58% of the P.A.'s reporting price changes said they involve some sort of non-list price adjustments.

• **Inventory policy** — Buyers aren't going to let any price change influence general inven-

tory policy. Only 3% of respondents said that anticipated changes would mean a significant switch in inventories. A majority (57%) said it would mean absolutely no change at all.

• Import competition

Among P.A.'s who import, some 64% reported increases, only 36% decreases. More significant, in noting the specific products they import, almost all P.A.'s gave price advantage as the reason for their action.

In some areas—such as electronic parts—advantages of importing are really substantial. The purchasing director of a major TV and radio manufacturer noted: "On one semiconductor which we have been paying domestic suppliers 20¢, we had an

offer (made in Holland) for 14¢."

This same P.A. also said: "We've been offered some fancy deals on small receiver-type tubes. He noted that some are a good 20-25% off American quotes."

Bearings is another area where foreign suppliers are playing a big role. Some P.A.'s think it could make the difference on whether proposed bearings price increases (see PW, July 3, '61, p. 1) will hold.

Reuland Electric of Los Angeles summed up the situation in this area by noting that "Japanese bearings are fiercely competitive and the softness of the market is indicated." Another P.A. stated that some Japanese bearings were priced approximately 30% under the domestic market.

Split on Steel

P.A.'s were pretty much divided, however, when it came to evaluating the steel situation. Most P.A.'s queried by P/W reporters were split.

About half flatly predicted a price increase on the basis of hikes in steel's labor costs. Others gave varying degrees of "no" on the chances of a fall price rise.

Said the purchasing executive of one of the nation's top machine tool outfits: "I see two reasons—competition (both foreign and domestic) and government—as keeping a firm lid on steel tags."

As for the government's role, this P.A. thought "it would be pretty hard to fight a fixed price and price leadership charge if an increase is put into effect when demand is still low and production is at 60%-70% of capacity levels."

A 'Master Plan'

On the other side of the steel fence was a top official of a major aluminum producer. A spokesman for that company saw an increase in the price of steel—despite current weakness. This executive thought "the steel industry—with its current reductions—is just mending its fences." He thought it was all part of a "master plan to build up good will" so that tags can be raised later on big volume items.

But despite all this price uncertainty in steel and a lot of other products, there was little indication of inventory buildup.

In answer to a query on whether he would step up advance buying in anticipation of price rises, one Atlanta-based P.A. had this to say: "There's so much commodity information available these days that almost every purchasing executive is better informed than he was in the past. So he doesn't tend to act the way he used to."

This executive agreed with other P.A.'s who declared they will no longer "buy up" the market in anticipation of higher prices.

One West Coast electronics firm won't inventory ahead on price for another reason. "A great deal of our business depends on rapidly changing government contracts. And you can get stuck with a heck of a lot of inventory when specifications change. We don't stock up unless we have a large contract running over a large term."

Follow-Up: Letters & Comment

Invites Reader Comment

Wellsboro, Pa.

In the past few months, we have tried to maintain a quality rating for all make items. This category only includes sheet metal, machined castings, turnings and stampings (quantities of less than 150 per shipment).

This report does not include such items as hardware, electronic items (resistors, capacitors, etc.), and large quantities of so-called shelf items. The reason for excluding these is obviously to maintain a useful tool, namely the "quality rating."

In the past few months we have reported on this select group with the following results:

Period	Rejection Rate
1/16-1/31	14%
2/1-2/14	3.7%
2/15-2/28	10.7%
3/1-3/15	12.9%
Cumulative	12.8%

The rejection rate is arrived at by dividing the total number of items received into the total quantity of rejected items.

Many of the items we purchase are to tolerances of plus or minus .001 or .0005. A part is rejected if for any reason, it does not meet the print or specifications. This material is then submitted to a Material Review Board, which checks to see if the reason for rejection is functional. If so, the material is then returned to the vendor; if not, the material is accepted and placed into stock. Our percentage of material actually returned to vendors, because it was not functional, during that period reported above was .07%.

If all items were reported the "quality rating" would be well under .01%. Unfortunately, this is no useful tool to this department or to our quality control department.

I would appreciate your readers' opinions in this matter. Are these figures I reported good, or are they below the national average for an electro-mechanical industry? What are the feelings of quality control, production, etc.?

D. G. Denver
Purchasing Agent
Linofilm Corp.

• How about it, readers?

Eaton EDP Center Aids Vendor Inventory Control

Cleveland—Eaton Mfg. Co. has programed its new data processing center to warn its vendors on how much raw material to stock in order to keep pace with Eaton's anticipated requirements.

Primary mission of the EDP system, which is built around a Burroughs 205 computer, is to speed up the handling of inventory control for purchasing. But, as an added dividend, the machine breaks down each part in an assembled product and, using assembly production schedules, projects future orders for vendors.

Using this data, the purchasing department is able to keep itself posted at all times on the quantity of each component that it will have to buy in a given period. And a by-product of this computation is the parts and raw materials commitment. This report tells the vendor how much in finished parts and how much in raw materials will be needed to fill Eaton's requirements.

Warns the P.A.

For example, the short-range projection informs a supplier that Eaton will want a certain number of fasteners now—a firm commitment—and at the same time it warns the supplier to buy enough spring steel in preparation to supply Eaton with another given quantity of fasteners within the next three months—a non-firm commitment.

Eaton then knows exactly how far it is committed to each vendor both in dollar value and unit volume for firm and non-firm orders. Besides this service, the computer writes purchase release forms on a monthly basis for several divisions. These multiform releases can be used as purchase orders if there is no blanket contract covering that item. At the rate of 1,000 cards/hr. the computer can study any part, figure out whether there is sufficient inventory for that part and, if not, write out orders at a rate of 500 per hour.

Another by-product of the programs run on the 205 is a semi-annual breakdown of unit and dollar volume for each vendor. This means periodic vendor analysis by each division so that, although purchasing is decentralized, all divisions get the benefit of centralization.

It Takes a Man to Buy

Howard A. Williams, Eaton's director of purchases, is a confirmed supporter of the computer center for processing paperwork, but still feels that buying is a job the machine cannot do.

Comments Williams, "Purchasing takes, I hope, mature, executive judgment, and you can't pass that job off to a computer. You can and should automate the purely clerical aspects, and that's where the value of the computer is for me."

Actually, the computer center operates as a service branch of Eaton's central office. It charges each division for use of the machine and operators' time, although the transaction is strictly an internal accounting procedure. Use of the center comes in two forms, each with a different billing system.

It depends on the initiating source—that is, if a division calls

in the service center for help, the division gets billed for conversion, programing, and machine time. But if the systems and procedures group of the computer center goes to the division and requests permission to investigate a possible application of the machine to improve efficiency, then the center absorbs the conversion costs. The division pays for machine and operator time only. Under these arrangements the computer is on the line 60 to 70 hr./week and will go to 80 operating hours soon.

Next step in the Eaton setup is to beef up its present capacity with the addition of an IBM 1401 and to improve communications between divisions and center.

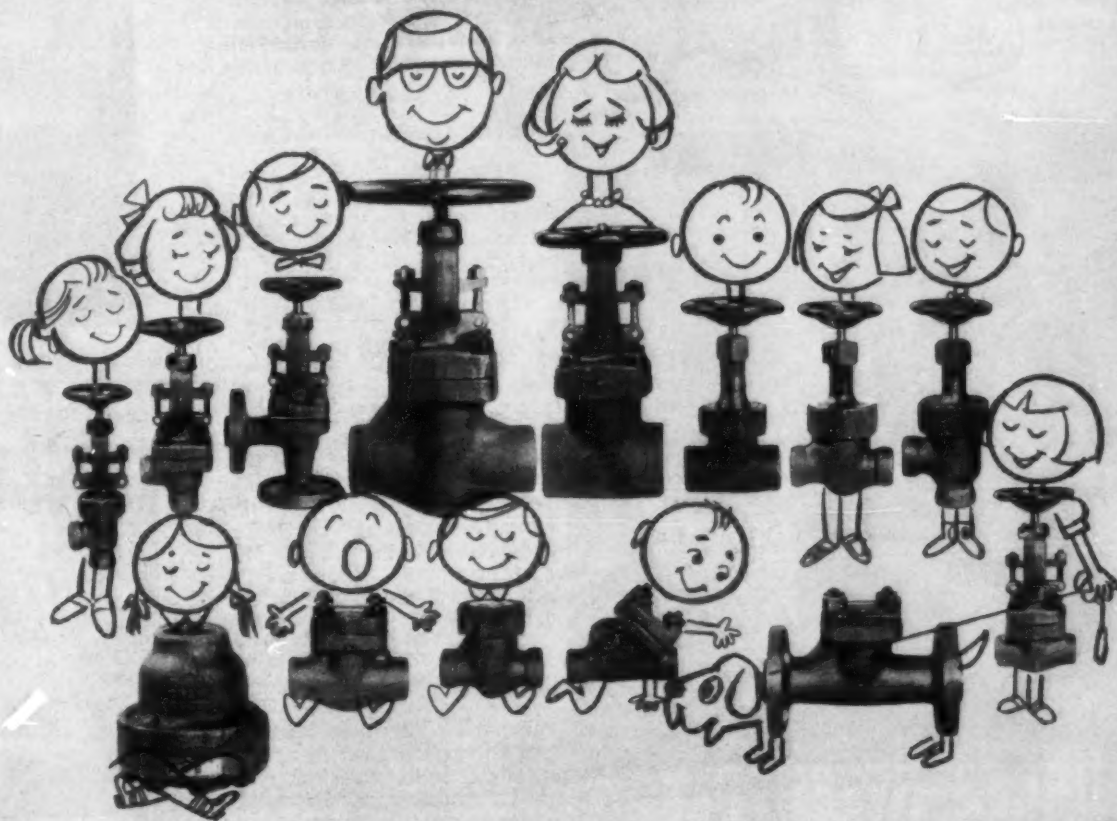
Main communication link now is via equipment that converts punched tape data at the division to tone impulses, which are picked up at the center and converted back to tape.

Transferring the tapes to cards, the center then processes the data which comes out of the machine on another tape.



HELPING HAND FOR VENDORS: Burroughs representative (dark suit) aids Eaton staff members L. R. Boyd, systems and procedures, and George Dams and John Kozlevchar, programmers, set up new system.

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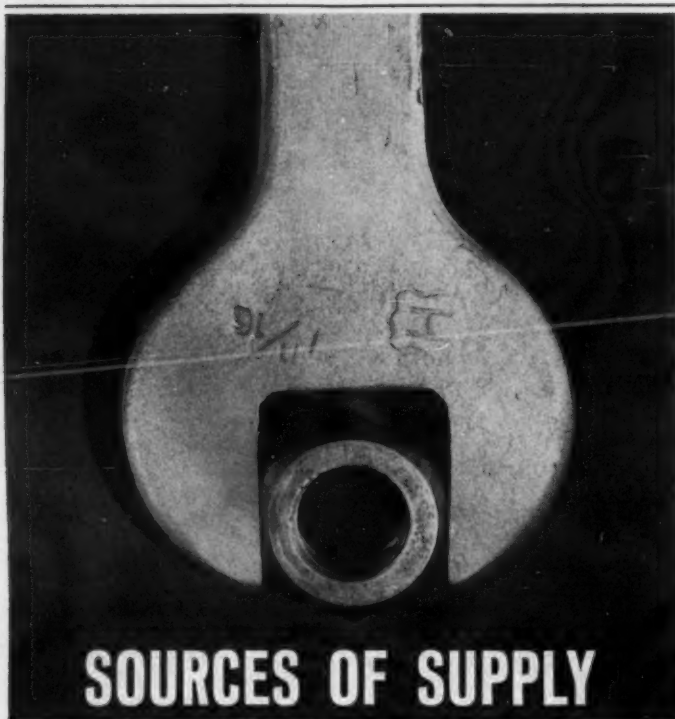
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Industry News in Brief

Ohio Gear Opens Center

San Francisco—Ohio Gear Co. has opened a new distribution center here to serve West Coast industry. The company said stock gears and speed reducers now can be delivered overnight to any point in the 11-state western area, reducing shipping time by as much as five days over orders formerly processed at the firm's Cleveland headquarters.

Distributor Named

Houston, Tex.—Busacker Electronic Equipment Co. here has been appointed distributor for tube, transistor and component retention and cooling devices made by Birtcher Corp.'s Industrial Div., Monterey Park, Calif.

Clary Enters Printing

San Gabriel, Calif.—Clary Corp. has entered the graphic arts field by purchasing United Machine Co., Ft. Worth, Tex., a manufacturer of web-fed offset printing presses for business forms, publications, and advertising materials.

Film Packaging Machinery

Bala-Cynwyd, Pa.—A new company, Key Packaging & Engineering Co., has been organized here to manufacture flexible film automatic packaging machinery.

Daytex Expands in Calif.

Dallas—Datex Corp., a manufacturer of digital data equipment, has opened a new regional sales and service office here. The company is headquartered in Monrovia, Calif.

Burton Adds Plastics

Santa Monica, Calif.—Burton Mfg. Co. has acquired Technical Plastics, Inc., San Mateo, Calif., in what it describes as the first step in a new diversification program. Burton already is in the aircraft instrument, electronics and medical equipment fields. Its new acquisition specializes in making high-temperature resistant plastics.

McGraw-Edison in Florida

Tampa, Fla.—McGraw-Edison Co. has selected a 12-acre site in Tampa's Industrial Park

for a new transformer manufacturing plant. The company expects to have the plant built and in operation by late this year. It will turn out transformers of the type used on utility poles.

New Silicon Plant

Hemlock, Mich.—Dow Corning Co. said its new production facility for high-purity silicon now is on stream. The plant has an annual capacity of 25,000 lb.

The silicon, whose purity is measured in terms of parts per billion, is used in such electrical products as rectifiers, power switches and transistors.

Jefferson Adds Distributors

Houston—Jefferson Chemical Co. has appointed two new distributors for its line of petrochemical products. They are Skyline Chemical Co., Salt Lake City, and Buffalo Equipment and Chemical Co., Buffalo, N. Y.

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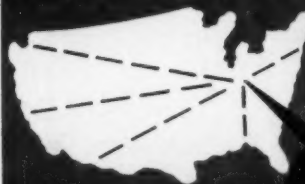
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Union of Buying, Marketing Old Hat at Monsanto

(Continued from page 1)
posed by recent changes such as those announced by major chemical firms such as Pennsalt and Dow (see PW, May 22, '61, p. 1).

Heffernan, a good example of "infiltration", came to his purchasing post from a job as marketing director of a former Monsanto operating division. The newly announced appointment of R. Carl Evans as "associate director of purchasing and traffic for Monsanto" is another example. Evans gives up the post of director of marketing of the company's Plastics Div. at Springfield, Mass.

P.A. and Salesman

Heffernan, who has spent eight years as director of purchasing for a company whose expenditures for materials and supplies exceed \$450-million annually, was a top salesman who called on purchasing agents for 25 years before he moved into purchasing itself. Thus he has a unique perspective on the purchasing-marketing question and other current purchasing issues.

"The purchasing function, like other components of business has been changing . . . not as fast as some, but the changes are quite dramatic," he said.

"Purchasing is becoming recognized more each day as an important 'profit center' within a company. The purchasing department that can direct the purchase of capital equipment, so that substantial savings are effected in the cost of new plant, helps make that plant more profitable. This is as important as smart buying of raw materials to help reduce the cost of a product—increasing company profits or making salesmen more competitive in the market place," he added.

When Heffernan assumed charge of Monsanto's Purchasing & Traffic Dept. in 1953 the company's annual purchases of raw materials to be processed into Monsanto products totaled about \$115-million. Last year it was \$204-million. In 1952 capital expenditures were running about \$70-million; last year they were over \$100-million and should reach \$140-million in 1961.

Staff of 63

Keeping tab on these vast expenditures is a staff of 63 purchasing agents and buyers, 12 including the director in the central purchasing office in St. Louis, and 51 scattered in 25 plants, engineering departments, and laboratories.

Why pick salesmen or marketing men for purchasing—and why the current accent on technically trained personnel such as engineers?

"The day of the old 'frozen puss' purchasing agent is fading away fast," declared Heffernan.

"Formerly, our purchasing departments simply acted like a corner drug store. They filled prescriptions for materials ordered by others.

"Today, the trained P.A. is more than an order filler. His experience and training makes it possible for his company to buy more economically, and by creative thinking—now called 'value analysis'—come up with lower-cost substitute products to enable a company to operate more economically and competitively.

"Sales training helps a P.A. to develop leadership and understand the value of tact and personality needed to encourage salesmen of other companies to work for you. The experience also helps a P.A. to cut through the old sales hoopla and more accurately appraise the product," he said.

"Marketing experience gives the P.A. an appreciation of the over-all company goals in developing products that can be produced and sold profitably," he added.

Why technical training when hiring new men? "The answer is that P.A.'s with this background, either in engineering or chemistry, can communicate more effectively with the operating, engineering, and research people who design the equipment and specify the raw materials to be purchased.

"If there is ease of communication the results are more productive for the company," said Heffernan.

"The other way—the way that most of us without technical training have advanced—is to develop through experience the skill and knowledge which is basic to effective operation in a company with as complex an operation as Monsanto's. Many of our purchasing men without formal technical training have and are doing just this." Monsanto now has 16 of its purchasing people attending night school several nights a week to acquire the technical knowledge which Heffernan considers so helpful in this field. "But when we have a new hiring choice," he says, "we naturally choose the man with the technical background."

As a result, the percentage of

technically trained personnel has increased from 5% to 25% under Heffernan: "Sometimes, when I look at our standards today, I must admit, I'd have a hard time qualifying."

Heffernan believes he has found the best answer to the debate of central vs decentralized purchasing: "We have married the two—maintaining strong central awareness and control, but utilizing decentralization as much as possible by delegating more authority to our field purchasing departments; we concentrate our buying as close to the requisition source as possible."

Most of the company's buying is done at the plant level, with central office negotiating the source and price of many of the major raw materials and important maintenance-repair-operating supplies, but leaving the balance of the buying job to the plants. This preserves the advantages of local-on-the-spot buying without diluting company-wide buying powers on key commodities.

Heffernan abolished the positions of division purchasing directors when he assumed charge—taking full responsibility for all buying, but then delegating it so that the responsibilities of plant-level purchasing have constantly increased.

All this has been accomplished without affecting the independent and strong role purchasing plays in Monsanto. Heffernan heads up a staff department with a line of authority through a functional vice president.

"The demands placed on purchasing today are far tougher than ever, but the opportunities are much greater, too," he concluded.

Smith-Corona Set to Make Debut With Electrostatic Copying Machine

(Continued from page 1)

The only model available to date using the electrostatic principle—the Xerox 914 copier—is a sophisticated desk-size unit that rents for \$95 a month.

American Photocopy Equipment Co. (APECO) shipped the first units of its "Electrostat" just last week; BBM Photoproducts Mfg. Co. and Savin Business Machine Corp. won't go into production until late this year.

Three of the four companies with desk-top units are out getting more money for the new ventures. BBM, APECO, and Savin are in the process of floating new stock issues to get capital for full-scale production.

Although APECO, BBM, Savin, and Smith-Corona Marchant are the only companies to announce desk-top models, industry sources believe that Xerox Corp., long the leader in this type of reproduction, is developing a smaller brother to the 914 copier.

IBM, which expanded into office dictating field last year, is also rumored to be considering entering the lucrative copying market. If the company elects to take the "acquisition route" it followed in marketing the dictating line—any IBM copying entry is still some time away. It took IBM almost a year to bring out the dictating units after it had bought an existing equipment maker.

Here's how the Smith-Corona machine stacks up against the four previously announced electrostatic models:

• **Smith-Corona Marchant—"Model 33"** is scheduled for production in early 1962—test models are going out for evaluation this month. Machine will sell for \$895 and also be available on lease. Uses special paper (stored in a magazine in the unit) to make copies for about 4¢ each. Maximum copy size 11 in. by any length.

• **BBM Photocopy Mfg. Corp.**—Working models have been demonstrated with volume production estimated "about November." Machine will sell for \$500-\$600 and uses a 400-ft. roll of special paper inside the machine to make copies for 3½¢ to 5¢ each. Maximum copy size is 8½ in. by any length. BBM bought the Bohn Duplicator Co. (U. S. distributors for Rex Rotary products) in April to get a distribution outlet for the new line.

• **American Photocopy Equipment Co.**—First volume shipments of its \$1,495 machine are just going out. The Electrostat is also available for lease at \$53.50 a month on three-year basis. Copies on special paper run 3½¢ each and maximum size is 11-in. by any length.

• **Savin Business Machine Corp.**—Unit will be sold direct and through dealer franchise in

Purchasing Week's Purchasing Perspective

(Continued from page 1)

finding that next to pricing, the marketing problem of greatest concern to the 168 companies participating in its report is creation of a "more effective, harder-hitting sales force."

All this, of course, indicates new sales strategies as sales managers learn that their best answers to price competition are hard selling, quality, service, and cost savings. And although recent price and sales tactics in some products may appear to run contrary to assertions of firms responding to the NICB survey, here are some of the techniques they listed as vital to this total value ("value analysis," if you will) concept of selling:

• Weeding out small, high-service cost accounts, and passing up large-volume, narrow-margin sales.

• Trimming out marginal products, emphasizing new products with greater sales appeal, and looking for less competitive product areas.

• Increasing frequency of customer contacts, and gearing for a better all-around sales job on a quality and profit basis.

Putting these sales tactics into operation, the NICB report indicates, has compelled many companies (three out of four of those surveyed, to make some sweeping revisions in their marketing-sales organizations. This explains some of the sales maneuvers now confronting P.A.'s in purchase negotiations. One popular switch has been to specialization, which appears most frequently in two forms: product specialization (where the salesman represents only one or several related product lines) and customer specialization by separate sales units or through varying channels of distribution.

Wild Price Moves on Semiconductors Bring Warning to Buyers on Quality

(Continued from page 1)

tors are falling because of foreign competition, while prices on more costly, high-reliability type units are dropping because of over-production and price cutting by domestic manufacturers.

Semiconductor prices traditionally have tended to spiral downwards. The rapid acceleration in this trend that occurred when business in general slowed down last summer caught many semiconductor manufacturers off guard.

For example, Pacific Semiconductors, Inc., a subsidiary of Thompson Ramo Wooldridge, recently wrote down the value of its inventories by \$3-million. TRW said the inventories were re-appraised because of "the deteriorating price structure in certain segments of the semiconductor business, where selling prices recently have borne little relationship to manufacturing costs."

There have been wide variations in the rate of decline on different types of semiconductor products. Manufacturers report silicon diodes and transistors have been hardest hit, while other items, such as power rectifiers, and selenium rectifiers, have managed to hold relatively stable.

December or January. Machine is priced at \$650 for semi-automatic operation and \$750 for automatic. Savin claims the copier will work on any type paper at a cost of 4¢ a copy. Maximum copy size is 8½ in. x 11-in.

• **Xerox Corp 914 Copier**—Desk-size machine has been on the market 18 months and Xerox reports "orders running ahead of production." Unit rents for \$95 a month and is not available for purchase. It copies on any paper at a cost of 1¢ a copy. Maximum original size is 9 x 14 in. Automatic features adapt the machine to short run duplicating.

In the past year, diodes have dropped an average of 40¢ to 90¢ per unit. Silicon transistors that sold for \$15 a year ago, now are down to about \$6, while a germanium transistor that cost \$2.50 eighteen months ago now goes for less than \$1.

Silicon transistor prices have been falling much more rapidly than those on germanium units, and trade sources predict that the drop will continue until prices on both types stabilize at somewhere under \$1.

Semiconductor manufacturers say the price declines appear to be a result largely of the nature of the industry itself—which means their price problems are not short-term ones.

An industry spokesman pointed out that in the past, many companies have attempted to pad profit margins to the greatest extent possible instead of trying to bring stability to the market through planned, specific price reductions on a continuing basis. These fat profits in turn have attracted a host of new companies into an already crowded field.

Many of the newer companies, by concentrating on one or two items have been able to undersell established firms that turn out a broad range of semiconductor products, the spokesman continued. The reaction of the larger producers to this type of challenge has not always been "rational," he said. One major firm, in particular, is reported to have initiated price wars in an attempt to drive the "upstarts" out of business, and in the process, has hurt all the companies in its particular segment of the industry.

As a result of these developments, industry experts agree that semiconductor prices in general, and prices on domestic-made high-reliability type components in particular, will remain under pressure:

Most Fleet Buyers Going Big for Compact Cars

(Continued from page 1)
pacts, compared to 14.6 for the standard size models.

Laclede Gas Co., of St. Louis, with a fleet that is 90% compact, cited savings of up to 40% on gas. Operating costs for compacts (gas, oil, repairs) averaged out to about 3½¢/mile, compared to an average of 5.7¢/mile for the standard low-priced three, the survey found.

Some 'Charmed'

Some firms are so completely charmed by the economy features of the small-size cars that they are making a 100% switchover from the standard models, the survey reported. Proctor and Gamble, for example, already has converted all of its 1,800 car fleet to compacts, and Illinois Bell Telephone Co. says it is going 100% to compacts for in-city operations. Still another firm, General Foods Corp., reports it is switching 90% of its fleet to compacts.

City fleet buyers too are giving the compacts a big vote of confidence. Los Angeles, for example, is completely sold on the small cars as a mainstay of its passenger fleet. The city fleet totals 1,450 passenger cars, of which 65% (about 1,000 cars) are now compacts. The city took a giant step in this direction last year when with the exception of police cars, it replaced all retired passenger vehicles with compact models. After a year's trial, the city is convinced it has made a wise step.

Royal K. Bennett, supply commissioner for the City of St. Louis, reflects the prevailing enthusiasm: "All our replacements are American-made compacts. A department head needs special permission from the mayor to purchase larger models," he reports.

Bigger Percentage to Compacts

The auto companies report that compacts are taking a larger percentage of the fleet market this year than they captured in 1960. Ford and Chrysler estimate the small autos are accounting for about 25% of fleet sales, while Lincoln-Mercury notes the Comet has taken 40%-45% of the division's fleet sales in the current year.

General Motors reports Corvairs are getting close to 10% of the Chevrolet Div. fleet market—"way up from last year." Total fleet volume for the auto industry has dropped off a little over 10% so far this year.

Make and model preferences seem to range all over the lot—with some companies running the whole gamut—from Ramblers to Volkswagen Microbuses.

Jewel Tea Co. of Chicago for example, has gone in for the whole product mix—with 200 Ramblers, 12 Larks, 20 Falcons, 2 Corvairs, 24 Valiants, and one each for Volvo, Vauxhall, Opel, and Volkswagen. In trucks, the firm boasts 100 Volkswagen Microbuses, 25 Ford Econolines, 30 International Harvester Metromites, 1,500 I-H Metros, and 12 Chevrolet Corvairs.

VW Microbus gives Jewell by far the best truck mileage, averaging 16 mpg. Its records show the Metros with 9.5 mpg. even though the payloads are the same, running about 1,200 lb. Jewel

Tea driving is done almost entirely within the city, so these mileage figures reflect stop-and-go driving. In terms of operating costs, VW Microbus ranges from 2.8 to 3.3¢/mile, and the Metromites cost about 4.7¢/mile.

Regarding purchase of foreign cars, the company P.A. says, "I'm not particularly happy about buying foreign cars, but neither I nor my company is going to waste money on operating costs just to be patriotic. As for the prestige compacts: F-85, special, and Tempest, the company feels either you want economy and low operating cost, or you don't—and you get neither with the three high-price compacts."

Illinois Bell Telephone, in Chicago, is almost as unusual as Jewel in terms of the variety of compacts it buys. The firm owns 450 passenger cars, of which 433 are compacts and 17 standard (for company brass). Illinois Bell has had this compact lineup for the past year: Falcons, Corvairs, Corvans, Econolines, Ramblers, Larks, and (two) VW Microbuses.

Few With Official Policy

Very few companies have laid down an official policy on compacts—except where the switch away from the standard models has been complete. Most firms prefer to play it by ear; as the fleet buyer for the City of Cleveland put it: "If we feel we can use the compacts in a given situation—we will. If not, we stick to the standard models."

One firm, Union Oil Co., of Los Angeles, allows its operating departments to specify the type of cars to be used by its departmental personnel. Union experimented in a small way last year with the compacts and is convinced they are ideal for metropolitan driving of all kinds. This is where the compacts prove their operating economy is highest, the company says—(approximately 20% less than standard models) and also where they receive highest employee acceptance. This year, the company reports, compacts will account for more than 30% of new passenger car purchases.

Depreciation still remains the biggest question mark in the minds of those buyers who are still taking a wait-and-see attitude toward the compacts. Although most reports are that the compacts are more than holding

their own when it comes to resale values, some buyers remain skeptical on the grounds that not enough returns have come in.

Carnation Co., of Los Angeles, is typical of this "we just don't know" group. To get some answers to the question of economy—particularly depreciation—Carnation bought 50 compact sedans last year on a trial basis and then replaced them with 75 compact station wagons because of the added storage space (requested by salesmen). As far as Carnation is concerned the whole question of economic feasibility of the compacts lies in their resale value. Will they match the approximately 28% historical return on the standard six-cylinder sedans? Since Carnation paid almost as much for its compacts as it did for the six-cylinder standards, it will be watching trade in developments very closely before making a decision.

Are They Rugged Enough?

Another question Carnation buyers are asking: are the compacts rugged enough to take 75,000 miles without excessive maintenance? In other words, what Carnation is saying is that it will take several more years of operating experience with compacts before the firm can be fairly certain that lower compact operating costs are not frittered away in lower resale prices and higher repair bills.

Some disillusioned buyers feel they already have the answers—and for them apparently the honeymoon is over. The biggest complaint of this group of disenchanted buyers is that the compacts are compact in size only. Repair bills are staggering, they maintain—and what's more the frequency of repairs is much higher than in standard models.

Says the P.A. for one Boston gas company, "I'm 100% against any more compacts. In fact I'm fed up with them." Company figures for the past year, he reports, show that some of its compacts are among the most expensive cars the company has run, including the big, standard size models. Company executives, who were once strong on the compacts, are weakening, and within a year or two, the buyer expects, the company will have divorced itself entirely from the compact field.

The P.A. for another utility also reports a strong reaction

Late News in Brief

Teflon Cut 30% to \$6.60/lb.

Wilmington, Del.—Du Pont Co. cut the price of its FEP Teflon fluoro-carbon resin 30% to \$6.60/lb. In truckload quantities from \$9.60. At the same time, Du Pont announced two new Teflon products: Teflon 110, specially formulated molding injection material, and Teflon 120, water base dispersion resin containing 55% fluoro-carbon solids.

FMB Tightens Controls

Washington—The Federal Maritime Board tightened its regulatory reins on shipping companies engaged in foreign trade. Carriers must file cargo rate increases 30 days in advance of effective date, and file rates on bulk cargo loaded and carried in less than full shiploads. Also, carriers previously exempt from filing their rates were given 60 days to do so.

New Firm to Produce Resin

Houston—National Distillers and Chemical Corp. and Owens-Illinois Glass Co. formed a jointly owned company to produce high density polyethylene. The plant, to be located here, will go on stream in late 1962 or early 1963. It will be operated by National Distillers' U.S. Industrial Chemicals Co., which will manufacture the resin. Owens-Illinois will be its chief user. Name of new firm: National Petro Chemicals Corp.

Shipping Strike Ends

New York—U. S. shipping, strikebound in American ports since June 16, returned to near normal operations last week after contract settlements freed about half the idled vessels and a Taft-Hartley temporary injunction the rest. Stranded cargoes moved quickly to coastal and inland destinations.

Teamsters Extend Contracts

San Francisco—Teamsters negotiating new contracts in 11 Western states worked past deadlines under truce arrangements sparked to a large extent by activities of union negotiators at their Miami convention. A master agreement covering 100,000 teamsters was extended until July 21.

International Paper Signs Pact

Mobile, Ala.—International Paper Co. reached a new labor contract with three unions representing most of the 13,000 employees in the company's Southern kraft division mills. The one-year pact granted a 3½¢/hr. across-the-board wage increase and fringe benefits.

away from compacts by executives who make the final decisions—again because of their high operational costs. The company at present has 60 compacts, but has found that the downtime is much higher than for standard cars.

Still another P.A. said he is watching for early clutch burn-outs on compact models using automatic transmission. "We don't know yet whether this indicates a shorter clutch life compared to larger cars," he explains.

But the loudest complaints against the compacts come from the men who use them—mostly salesmen. Beefs range all the way from skimpy storage space to the lack of "prestige."

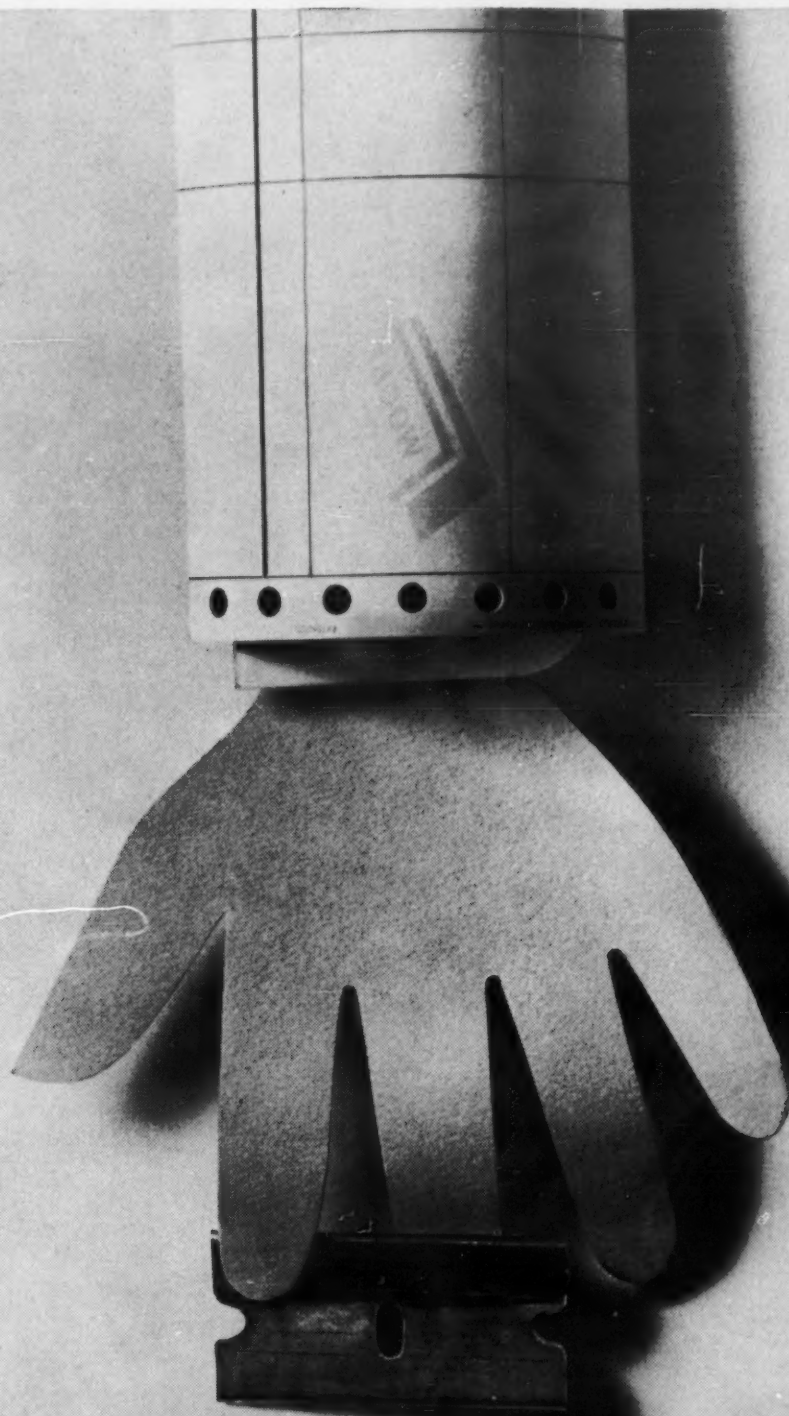
To keep their employees happy, some companies have either given up entirely on the compacts or are allowing their salesmen a freedom of choice. Morton Foods Co., in Dallas, for example, has stopped buying compacts, because, as it told P/W: "Our boys who go out in the field deserve a little more prestige than you get rolling around in one of these little tumblebugs." And Atlanta Coca Cola Bottling Co. feels, "The safety and comfort of our salesmen is more important than the few dollars we could save on gas." (The company uses air-conditioned cars for its salesmen.)

Even the strongest advocates of the smaller cars admit they "just don't have enough room for some uses." Chief complaint: lack of trunk and rear seat space for sample cases and displays.

But some companies that objected to compacts on grounds of skimpy storage space are finding that compact station wagons will do the job. A Texas food company, for instance, replaced all its compact sedans with compact station wagons, and reports that its men are completely satisfied with the change.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Camphor, USP, synthetic, pwd., 100-lb dms., 2,000lb. min. lb.	.03	.55	incr. costs
Movie cameras, 8 & 16 mm., Bell & Howell	\$5.00-\$10.00	....	incr. costs
Tall oil, crude, lb.	.0025	.035	low supply
Tall oil, fatty acid, lb.	.01	.07	low supply
Tung oil, imp. lb.	.0025	.2775	....
Copper water tubing, brass & copper pipe, lb.	.035-.07	....	price restoration
Nickel, Inco, U. S. price, lb.	.0725	.8125	incr. costs
Nickel-bearing stainless steel, Crucible, lb.	.005-.0225	....	nickel hike
Worsted, worsted & mohair blend fabrics, yard	.075	....	improved demand
Tricot, nylon & acetate, Collins & Aikman	5%-8%	....	improved demand
REDUCTIONS			
Fluorocarbon resins (teflon, FEP grades), DuPont treckids, lb.	\$3.00	\$6.60	prod. econs.
Plasticizers & resins (Aroclor), Chlorinated biphenyls & Polyphenyls, Monsanto, tnks., lb.	.01	.1525	broaden markets
Acrylonitrile, Am. Cyan. lb.	.085	.145	oversupply



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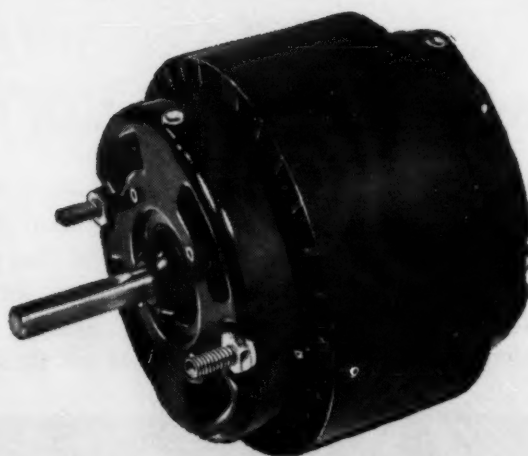
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